

1. POLICY STATEMENT

i-Stone Group Berhad. and its subsidiaries (the “Group”) Anti-Bribery and Corruption (ABC) Policy is part of the Group’s Code of Conduct. The Group adopts a zero-tolerance approach against all forms of bribery and corruption in our day to day activities and takes a strong stance against such improper conduct.

The Group upholds and are bound by all applicable laws and regulations in countering bribery and corruption in all the jurisdictions where we may operate, in Malaysia or outside Malaysia to conduct our business with utmost integrity and highest ethical standards

This Policy is designed to provide guidelines to all individuals working at all levels and grades, including directors, senior managers, officers, directors, employees (whether permanent, fixed-term or temporary) to observe zero-tolerance to bribery and corruption and concerns on recognizing, addressing, preventing, resolving instances of improper solicitation, bribery and other corrupt activities and issues that may arise in the course of day to day activities.

2. DEFINITIONS

“Agent”: Any individual acting as an agent, paid by the company, acting on the company’s behalf in negotiating with Third Parties.

“Bribery” / “Corruption”: Bribery occurs when one person offers, pays, seeks or accepts a payment, gift, favour, or a financial or other advantage from another to influence a business outcome improperly, to induce or reward improper conduct or to gain any commercial, contractual, regulatory or personal advantage. It can be direct or indirect through Third Parties.

“Company”: All subsidiaries and affiliated companies within the Group

“Conflict of Interest”: Occurs when an individual’s interest and benefit either influence or have potential to influence which could possibly corrupt, or be perceived to corrupt, the motivation for an act in their decision making of the Group.

“Donation”: A Donation is a voluntary contribution in the form of monetary or non-monetary to a fund or cause for which no return of service or payment is expected or made. Contributions to industry, associations or fees for memberships in organizations that serve business interests are not necessarily considered Donations.

“Employee” or “Employees”: For the purposes of this policy this includes all individuals working at all levels and grades, including senior managers, officers, directors (executive and non-executive), employees (in Malaysia or outside Malaysia and whether permanent, fixed-

term or temporary basis), trainees, casual workers and agency staff, volunteers, interns, or any other person associated with us, or any of our subsidiaries or joint ventures or their employees, wherever they may be located.

“Facilitation Payments”: A form of Bribery in which small payments are made with the purpose of expediting or facilitating the performance by a Public Official of a routine or administrative governmental duty or function. Facilitation payments are typically demanded by low level and low income Public Officials in exchange for providing services to which one is legally entitled without such payments.

“Gifts, Invitations & Hospitality”: Invitations given or received to social functions, sporting events, meals and entertainment, gifts or customary tokens of appreciation.

“Intermediary”: Includes but is not limited to Agents, distributors, consultants, sales representatives, implementation partners, sales partners.

“Kickback”: A bribe to obtain an undue advantage, where a portion of the undue advantage is 'kicked backed' to the person who gave, or is supposed to give, the undue advantage.

“Public Official”: Officials or employees of any government or other public body, agency or legal entity, at any level, including officers or employees of state-owned enterprises and officers or employees of enterprises which are mandated by a public body or a state-owned enterprise to administrate public functions.

“Sponsorship”: Sponsorship is about partnering with external organizations to deliver mutual benefits through an exchange of monies, products, services, content or other intellectual property.

“Third Party”: Any individual or organization you come into contact with during the course of your work for us. This includes actual and potential customers, suppliers, contractors, consultants, sponsors, agents, business contacts, Intermediaries, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

“The Head of Administrator” : An executive director appointed from the Group’s board of director to monitor, review and implement this policy.

3. SCOPE

The principles and obligations outlined in this policy applies to Employee. It is also applicable to contractors, sub-contractors, consultants, agents, representatives and service providers of any kind performing work or services, for or on behalf of the Group (together, “Business Partner”). This policy shall be communicated to Employee, Business Partner and Third Party at the outset of our business relationship and as appropriate thereafter.

This policy binds Employees and Business Partner to compliances concerning interactions with persons and/or parties in jurisdictions where we may operate, both home and foreign. Where local customs, standards, laws or other local policies apply that are inconsistent or conflict with the provisions of this policy, then the stricter rules of the two must be complied with. Example, if this policy stipulates stricter rules than local customs, standards, laws or other local policies, the stricter provisions of this policy shall prevail.

4. ANTI-BRIBERY AND ANTI-CORRUPTION

The Malaysian Anti-Corruption Commission describes “corruption” as an act of giving or receiving gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job function or activity. The Malaysian Anti-Corruption Act defined gratification covering the following corruption practices:

- 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, or 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).

Corruption may include “bribery” which is any offering, promising, giving, requesting agreeing to receive, accepting a gratification, or other advantages with the intention of inducing or rewarding someone to perform their job function or activity improperly. Forms of bribery include kickbacks, inflated commissions, expensive gifts, political donations, excessive or inappropriate entertainment.

This Policy prohibits all forms of bribery and corrupt practices and makes no distinction between whether they are being made to persons in the public or private sectors. The Group’s relationships with public officials, our Employees, Business Partner and any other parties are

based on transparency and integrity. Our Employees and Business Partner must not directly or indirectly pay, offer or promise any gratification to any public official, party or their family members as an inducement for or reward for acting improperly. Furthermore, our Employees must not directly or indirectly pay, offer or promise any gratification to customers, Business Partners or any other party for the purpose of exerting influence, soliciting payment or other unfair or illegal preferential treatment. Our Employees will not suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour

5. GIFTS, INVITATIONS & HOSPITALITY

- 5.1 Our Employees are prohibited from directly or indirectly accepting a gift or giving a gift to a third party in the following situations:
- (a) it is made with the intention / expectation of influencing a Third Party to obtain or retain business, to gain a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
 - (b) it is given in your name and not in the name of the Company;
 - (c) it includes cash or a cash equivalent (such as gift certificates or vouchers);
 - (d) it is of an inappropriate type and value and given at an inappropriate time (e.g. during a tender process); and
 - (e) it is performed secretly and not transparent.
- 5.2 Our Employees are also prohibited from directly or indirectly soliciting for gifts from any party for themselves or for or on behalf of The Group. Our Business Partners should not give gifts to our Employees.
- 5.3 We are aware of business etiquette of exchanging gifts which varies between countries and regions. The test to be applied in exchange of gifts is to take into consideration all the pertinent circumstances including its purpose, the character of the gift or hospitality whether is cultural, reasonable, justifiable and is proportionate. Our Employee are expected to decline (or avoid accepting) gifts with the exceptions being:
- (a) Corporate gifts of nominal / appropriate value;
 - (b) Festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions;
 - (c) When refusing the gift is likely to offend and harm the Group's business relationship with the giver; or
 - (d) Gifts given during invitation to speak at conferences or work-related conferences.

- 5.4. In the circumstance that the Employee has received any gifts, the Employee must notify HR Department. If the gift value is more than RM250.00 of the nominal value, HR Department shall refer to Head of Administration. It is at the discretion of the Head of Administration to approve the acceptance of the gift or require it to be returned. The gift must be returned politely with a note explaining the Group's policy. All accepted gifts must be recorded in the Company's Gift Register which includes the detail of gift, giver, purpose and estimate value.

If the gift is accepted, the HR Department or Head of Administration will determine whether to:

- (a) Donate the gift; or
 - (b) Display in the office; or
 - (c) Share it amongst Employees; or
 - (d) Retain it for lucky draws in company events; or
 - (e) Permit it to be retained by the Employee.
- 5.5 Generally, Employees are allowed to provide gifts to visitors within the Group as a token of appreciation. The nominal value of gifts shall not be greater than RM250.00, any value exceed the nominal value must obtain prior approval from the Managing Director. Employees are also permitted to provide gifts bearing our Group's logo (corporate gifts) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events also as part of the Group's Branding and/or Marketing activities.
- 5.6 Employees are advised to apply proper judgement in accepting entertainment from third parties. Receiving any form of entertainment can be perceived as a conflict of interest or misconstrued as acceptance of gratification. Frequency of the entertainment and the value received will and can be held against you should it be reported as a form of gratification.
- 5.7 Employees are allowed to entertain external parties as part of business networking as long as it is of reasonable value. Eligible Employees should always consult and inform his/her Head of Administrator or Managing Director before providing entertainment.

If in doubt, please consult the matter with HR Department or Head of Administrator.

6. FACILITATION PAYMENTS & KICKBACKS

- 6.1 Facilitation payments are forms of payment made personally in return for services to an individual in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function (e.g. influencing the timing of process or

issuing of permits). Facilitation Payments are illegal under Malaysia law and laws of many other countries. Our Employee and Business Partners shall not directly or indirectly make and/or accept, Facilitation Payments or Kickbacks of any kind whether in cash or other asset in wherever we may operate.

- 6.2 There are circumstances when you are compelled to make facilitation payments due to extortion or you are being coerced to pay and that you have no alternative but to pay for your personal or family safety and liberty. If these facilitation payments are made, you should report the incident to Managing Director for the necessary action to be taken.

If in doubt, please consult the matter with HR Department or Head of Administrator.

7. EMPLOYEE RESPONSIBILITIES

- 7.1 It is not acceptable for you (or someone on your behalf) to:
- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
 - (b) give, promise to give, or offer, a payment, gift or hospitality to a Public Official or Third Party to ‘facilitate’ or expedite a routine procedure;
 - (c) accept payment from a Third Party that you know or suspect is offered with the expectation of receiving or desirable outcome of a business advantage for them;
 - (d) accept a gift or hospitality from a Third Party if you know or suspect that there is an expectation or desirable outcome in return for a business advantage from us;
 - (e) threaten or retaliate against another Employee who has refused to commit a bribery offence or who has raised concerns under this policy; or
 - (f) engage in any activity that might or perceived to lead to breach of this policy.
- 7.2 It is your responsibility to ensure that all accounts, invoices, memoranda and other documents and records relating to dealings with Third Parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept ‘off-book’. You must ensure all expenses, claims relating to Gifts, Invitations & Hospitality or expenses incurred to Third Parties are submitted in accordance with the Company’s expenses policy and specifically record the reason for the expenditure.
- 7.3 You must declare and submit a written record of all Gifts, Invitations & Hospitality to your HR Department or Head of Administration to decide whether to approve the acceptance or to return the gifts or to reject the Invitations & Hospitality.

- 7.4 The prevention, detection and reporting of any form of Bribery & Corruption are the responsibility of all Employees. You must notify HR department or your reporting manager as soon as possible if you are offered a bribe, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.
- 7.5 All Employees have the responsibility to read, understand and comply with this policy. You may refer APPENDIX 1 for possible RED Flags that may arise during the course of your work. You should at all times, avoid any activity that might lead to, or suggest, a breach of this policy.
- 7.6 Any Employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct. This policy should be read in conjunction with the i-Stone Code of Ethics.
- 7.7 Employees are encouraged to raise concerns about any instance, or suspicion of malpractice at the earliest possible stage through their reporting manager or other available reporting mechanisms which includes HR department, company directors. Employee also may report such concern using reporting channel under the Whistleblower Policy

8. COMPLIANCE WITH THE LAW

All employees of the Group and its affiliates are responsible in ensuring that all laws and regulations, in particular, the Malaysian Anti-Corruption Commission Act are complied to at all times. No excuses or exceptions will be acceptable for non-compliance with any domiciled laws and regulations where the Group may conduct its businesses.

Where there is uncertainty in any practices relating to the ABC Policy, employees must always seek the advice of their supervisor or head of department. Where further clarification is required, you should direct your concerns to HR Department or Head of Administrator.

9. PROTECTION

Employees who refuse to take part in bribery or corruption, or raise concerns or report in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future will be protected from detrimental treatment/retaliation. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.

10. GOVERNANCE

The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Head of Administrator has primary and day-to-day responsibility for implementing this policy and monitoring its use and effectiveness. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it. This training shall also be given to Intermediaries.

11. MONITORING AND REVIEW

The Group will establish and put in place appropriate performance measures and reporting systems to monitor performance against metrics and compliance with the relevant policies, procedures and controls.

The Head of Administrator will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be propose to the Board of Director to incorporate into this policy

Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective, The Head of Administrator will report to the Board of Director at least annually on the application of this policy.

The ABC Policy will be reviewed from time-to-time, and at least once every three years to ensure that it continues to remain relevant, appropriate and effective in the enforcement of the principles herein and to ensure continued compliance with the prevailing law.

This Policy was adopted by the Board of Directors on 28 May 2020.

APPENDIX 1 "RED FLAGS"

The following is a list of possible red flags that may arise during the course of your work with the Group and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for with the Group, you must report them promptly to your director, supervisor and HR department.

- (a) you become aware that a Third Party engages in, or has been accused of engaging in, improper business practices;
- (b) if the Third Party refuses to divulge adequate information during due diligence procedure;
- (c) you learn that a Third Party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a 'special relationship' with foreign Public Officials;
- (d) a Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (e) a Third Party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for the payment made;
- (f) a Third Party requests that payment is made to a country or geographic location different from where the Third Party resides or conducts business;
- (g) a Third Party requests an unexpected additional fee or commission to 'facilitate' a service;
- (h) a Third Party demands lavish Gifts, Invitations or Hospitality before commencing or continuing contractual negotiations or provision of services;
- (i) a Third Party requests that a payment is made to 'overlook' potential legal violations;
- (j) a Third Party requests that you provide employment or some other advantage to a friend or relative;
- (k) a Third Party requests that you make a political contribution or donation to the party or charity of their choice before agreeing to undertake a business relationship with the Company
- (l) you receive an invoice from a Third Party that appears to be non-standard or customized;
- (m) a Third Party refuses to put terms agreed in writing;
- (n) you notice that we have been invoiced for a commission or fee payment that appears substantial given the service stated to have been provided;
- (o) a Third Party requests or requires the use of an Agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- (p) you are offered an unusually generous gift or offered lavish hospitality by a Third Party.