



SOUTH MALAYSIA INDUSTRIES BERHAD
[COMPANY NO. 196901000152 (8482-D)]

&

ITS GROUP OF COMPANIES

**CODE OF BUSINESS CONDUCT
FOR ASSOCIATES
(COCA)**

Code of Business Conduct for Associates		
Effective Date: 1 January 2020	Version 1.0	
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1. INTRODUCTION

SMIB Group means South Malaysia Industries Berhad and its subsidiaries (collectively referred to as the “Company” or “SMIB”) have adopted a **ZERO TOLERANCE policy against all forms of bribery and corruption**. This Code of Business Conduct for Associates sets out the principles/practices and standards for its Associates (as defined below) to comply with relevant laws and regulations when conducting business with the Company.

The Company will not do business with any party that intentionally or continuously breaches any applicable laws, and the Company will not require any of its Associates (as defined below) to perform any act that is prohibited by any applicable laws and/or this Code of Business Conduct for Associates.

2. SCOPE AND APPLICATION

This Code of Business Conduct for Associates ("COCA") shall apply to all vendors, suppliers, service providers, contractors, sub-contractors, consultants, agents, joint-venture partners, introducers/government intermediaries, representatives and any other persons or entities who provide work, goods or services or act for or on behalf of the Company ("**Associates**"), including but not limited to their employees, affiliates or any other third parties or sub-contractors who have been engaged by the Associates to perform services for, or provide products to, or act for or on behalf of the Company (collectively, "**Personnel**").

This COCA is intended to supplement and should be read in line with any existing policies, procedures and codes relevant to Associates.

The Company expects its Associates and their Personnel to have a continuing obligation to familiarise themselves with this COCA and applicable laws in relation to conducting their business with the Company.

3. COMPANY ASSETS

All Associates are responsible for protecting the Company assets provided to them by the Company from any loss, damage, misuse, illegal use, or theft. Company assets include, without limitation, to products and services, vehicles, access and/or security cards, equipment, and facilities.

Associates must only use Company assets for official business purposes relating to the Company and to further the business interest of the Company. Prior approval from the Company is required for any other usage purpose.

Any Company asset and/or property that has been removed from the Company's premises with the Company's prior authorisation must be returned as agreed and/or on demand, in good working condition.

Associates must only use software that is properly licensed as part of the Company's assets.

Associates are not allowed to:

- (a) download or copy proprietary software belonging to and/or licensed to the Company into other devices without the Company's prior written approval; and
- (b) install unauthorised software or download non-work-related materials on Company assets.

4. COMPANY INFORMATION

Company information refers to any and/or all information that is provided to Associates by or on behalf of the Company or is obtained by Associates pursuant to their business relationship with the Company. Company information includes, without limitation, any corporate, business, financial, marketing, operational, employees, customers, vendors, suppliers and customer information belonging to or licensed to the Company and intellectual properties belonging to or controlled by the Company, such as copyright and moral right, trade mark and service mark, trade dress, industrial designs, patents, trade secret, know how, methodology, technology and software.

All Company information is confidential, regardless of its form and method of communication, regardless of whether such information is marked as "*Confidential*".

Associates must keep all Company information secure and provide limited access of the Company information to their Personnel where necessary to execute their job functions in the course of business with the Company.

Associates must only use Company information strictly for business purposes involving the Company, and in the best interest of the Company. Associates must not use the Company information for any unauthorised purpose or reason.

The Associates must not remove storage devices containing Company information or licensed or copyrighted software from any location without the express and prior written authorisation of the Company.

Associates shall not in any circumstances, disclose Company information to any unauthorised third party without the Company's prior written consent.

Associates and their Personnel shall have the continuing obligation of confidentiality notwithstanding the termination, cessation and/or expiry of their employment or engagement with the Company. Any Associates and/or their Personnel found in breach of this obligation shall be dealt with seriously.

In the event of a conflict between the confidentiality obligations under any written agreement between the Company and the Associates and the confidentiality obligations under this COCA, the confidentiality obligations under the written agreement shall prevail.

All information provided by Associates to the Company must be true, accurate, and complete. In particular, financial records and accounts must accurately reflect all transactions and payments made, and conform to proper internal controls, mandatory accounting principles, and any applicable laws.

Associates must process all documentation and records relating to their relationship with the Company in accordance with relevant document retention policies, applicable laws, and all requirements imposed by the Company

5. DEALING WITH CUSTOMERS

The Company ensures that all its dealings with customers are conducted with the highest standard of integrity and professionalism. As such, the Company expects its Associates dealing with any customers for or on behalf of the Company to practice the same standards of integrity and professionalism.

Associates must ensure that the content of any marketing or advertising materials relating to the Company or its affiliates is accurate and true and not misleading, false, or inaccurate. Additionally, Associates must comply with all quality, health, and safety requirements imposed by law, regulatory bodies, and the Company.

6. DEALING WITH MEDIA

If Associates receive any queries from the media or other parties in relation to the Company, these queries shall be directed to the Company. Associates should inform the Company and obtain the Company's prior written approval before providing any information to the media or any other party, including any financial analysts and shareholders.

7. CONFLICTS OF INTEREST

All business decisions and actions undertaken by Associates must be made with the Company's best interest in mind and must not be motivated by any personal considerations or relationships.

All Associates must declare in writing to the Company of any actual or potential conflict of interest before making any of such decisions and/or actions, or as soon as such Associates become aware of any actual or potential conflict of interest.

8. HEALTH, SAFETY AND ENVIRONMENT ("HSE")

The Company takes safety seriously. In line with this, all Associates must ensure a safe and healthy environment for everyone including the public, and comply with all applicable laws, the Company's policy, systems and processes that govern HSE.

As a general rule, Associates who provide work, goods, or services for or on behalf of the Company:

- (a) must comply with all relevant Company policies and procedures relating to HSE;
and
- (b) attend to any of the Company's HSE awareness briefings, if requested by the Company.

9. ANTI-BRIBERY AND CORRUPTION

In line with the Company's policy and zero-tolerance against all forms of bribery and corruption, the Company has put in place the Anti-Bribery and Corruption Policy ("**ABC Policy**") to consolidate and manage elements, policies, objectives, and processes related to bribery and corruption risks in the Company.

Associates are expected to comply with the relevant ABC policies, procedures and/or processes when providing such work, goods or services, or when acting for and/or on behalf of the Company.

As a general rule, when conducting business with, or for and on behalf of the Company, Associates are required to:

- (a) behave and act transparently, professionally and ethically in accordance with this COCA;
- (b) undertake periodic assessment on corruption risk and, where necessary, implement and maintain procedures and processes which are compliant with all applicable anti-bribery and corruption laws;
- (c) comply and ensure that their Personnel are aware of and will comply with all provisions set out in this COCA and under any applicable anti-bribery and corruption laws;
- (d) conduct all necessary due diligence before engaging their Personnel or with any other third parties where services of such third parties are necessary to conduct business with, or for or on behalf of the Company; and
- (e) maintain accurate books and records relating to the Company's business.

This COCA specifically prohibits all Associates and their Personnel from engaging in any corrupt activity whether directly or indirectly offering, promising, providing, or authorising anyone to provide any Gratification to a Public Official or any private individual or entity for the purpose of obtaining or retaining any improper advantage. "*Gratification*" and "*Public Official*" are defined in APPENDIX 1.

In dealing with any Public Official, Associates must ensure that they:

- (a) are compliant with all applicable laws and regulations in all interactions and dealings with Public Officials for or on behalf of the Company;
- (b) cooperate with reasonable requests for information from government agencies and regulatory authorities, and consult with the Company before responding to any request. In this regard, all such information provided must be truthful and accurate; and
- (c) must not alter or destroy any documents or records in response to any investigation or other lawful request.

The Company will not authorise or tolerate any business practice that does not comply with this COCA and/or all applicable anti-bribery and corruption laws. Therefore, all Associates are required to review their respective business practices regularly and, if they are inconsistent with this COCA and/or any anti-bribery and corruption laws, the Associates must ensure strict compliance.

The Company takes any violation of anti-bribery and corruption laws seriously. If any Associate is aware of any actual or suspected incidents of bribery or corruption, such Associate must immediately report such instances to the Company through the Company's whistleblowing channel, available at www.smib.com.my

10. Gifts, Hospitality and Entertainment, Charitable Donations and Sponsorships, Political Contributions, Facilitation Payment, Extortion Payment and Kickback

10.1 Gifts, Hospitality and Entertainment

The Company does not prohibit gifts, hospitality, and entertainment offered and/or received in the normal course of business. However, it is important to note that certain gifts, hospitality and entertainment may cause improper influence or appear or be perceived to cause improper influence. Such gifts, hospitality and entertainment may even be seen as bribes that could tarnish the Company's reputation or violate anti-bribery and corruption laws.

As a guiding principle, directors and employees of the Associates may offer and receive gifts, hospitality, and entertainment, provided that such gifts, hospitality, and entertainment are appropriate, reasonable, and acceptable in the normal course of business. When determining whether such gifts, hospitality, or entertainment is permissible, directors and employees of the Associates should take into consideration the intention and timing, transparency, frequency, compliance with the other party's policies and rules, and the legality of such gifts, hospitality, and entertainment.

Certain types of gifts, hospitality, and entertainment are not permissible. As a guiding principle, the following gifts, hospitality, and entertainment are **strictly prohibited**:

- (a) Gifts, hospitality, or entertainment that are illegal or in breach of any laws, regulations, or rules;
- (b) Gifts, hospitality, or entertainment offered to a Public Official to facilitate or expedite a routine procedure;
- (c) Gifts, hospitality, or entertainment involving parties currently engaged in a tender or competitive bidding process;

- (d) Gifts made in cash or cash equivalent, i.e., anything that can be easily converted to cash;
- (e) Hospitality or entertainment that is sexually oriented;
- (f) Hospitality and entertainment provided or received that would be perceived as lavish or excessive or may tarnish the reputation of the Company; and
- (g) Gifts, hospitality, or entertainment that are a "*quid pro quo*", i.e., something offered in return for something else, such as a business advantage; and
- (h) Gifts, hospitality, or entertainment that are paid for personally to avoid having to declare or seek approval for.

It is pertinent to bear in mind the broader context in which the gifts, hospitality, and/or entertainment are offered or received. Any gifts, hospitality, or entertainment that may appear or be perceived as influencing or compromising the judgment or objectivity shall not be offered or received.

10.2 Charitable Donations and Sponsorships

Charitable donations and sponsorships, whether in kind, services, knowledge, time, or direct financial contributions, are allowed by the Company. However, the Company recognises that providing charitable donations and sponsorships can pose a bribery risk as it involves payments to a third party without any tangible return, and this may be used as a cover-up or route for bribery.

All Associates must make sure that charitable donations and sponsorships are not used as a scheme to circumvent any prohibitions on bribery. All requests for charitable donation and sponsorship on behalf of the Company through Associates must be made in writing with supporting documents before such requests are forwarded to the Company for approval.

The Company shall not make any charitable donation or sponsorship that comes with a direct/indirect suggestion, hint, understanding, or implication that some expected or desirable outcome is required (e.g. to secure a business deal, to influence business decision-making outcome), or that is illegal or in breach of any applicable laws.

10.3 Political Contributions

The Company may make contributions to political parties or candidates in accordance with and in compliance with all prevailing laws, provided that such contributions are not made as an attempt to influence any decision or gain a business advantage. All political contributions require approval from the Company.

The records of the political contributions shall be kept by the Company Secretary.

10.4 Facilitation Payment and Extortion Payment

Facilitation payment, often referred to as "*Duit Kopi*", is an illegal or unofficial payment or other gratification given in return for services or benefits that the payer is legally entitled to receive without making such payment. It is important to note that facilitation payments do not necessarily involve cash or other financial asset, it may be in the form of any advantage with the intention to influence the recipients in carrying out their duties.

Facilitation payment usually occurs with a public official, public body, or any person who has authority to grant the following, which includes but is not limited to approvals, certification, licences, permissions, or permits, to secure or expedite such process.

"Extortion payment" is the demanding of a gratification, including payments and other advantages, whether or not coupled with a threat if the demand is refused.

"Kickbacks" are typically payments made in return for a business favour or advantage.

The Company strictly prohibits accepting or giving, whether directly or indirectly, any facilitation payments or extortion payments.

However, there are certain situations or circumstances in which a facilitation and/or extortion payment is forced to be made to protect one's life, limb, or liberty. In such situations, any payments made must be reported to the engagement liaison of the Company.

11. FRAUD

Associates are responsible for recognising and reporting any fraud, falsification of records, or other irregularities. Examples of irregularities include forgery or improper alteration of any documents; misappropriation, destruction, or disappearance of funds, inventory, supplies, or such other assets (tangible or otherwise); improper handling or reporting of financial transactions; or false or misleading reports.

If any Associate is aware of any actual and/or suspected irregularity or fraud, such Associate must immediately report such instances to the Company through the Company's whistleblowing channel. Details are set out in paragraph 12 below.

12. WHISTLEBLOWING POLICY

The Company takes non-compliance with this Code and any applicable laws seriously. Any actual or suspected non-compliance must be reported to the Company through the Company's whistleblowing channel immediately.

Details of the whistleblowing procedures, which enable Associates to raise concerns regarding actual or suspected unethical, unlawful, illegal, wrongful, or other improper conduct, can be found in the Company's Whistleblowing Policy, which is available on the Company's website www.smib.com.my.

13. NON-COMPLIANCE WITH THIS COCA

Any violations and/or non-compliance with this COCA shall be taken seriously and may result in, among others, termination of the Company's contract with the Associates. Additionally, Associates are subject to loss of access privileges, unsatisfactory performance evaluation, sanction, accountability in a court of law, civil, and criminal prosecution.

In the event of termination, the Associates shall not be entitled to any further payment or services, whichever is applicable, regardless of any activities undertaken or agreements entered into before termination, and the Associates shall be liable for damages and/or remedies permitted by law.

14. EFFECTIVE DATE

This revised COCA is approved by the BOD and made effective as of 25 May 2026.

APPENDIX 1

DEFINITIONS

<p>Gratification <i>(As defined under Section 3 of the Malaysia Anti-Corruption Commission Act 2009)</i></p>	<p>includes but is not limited to:</p> <ul style="list-style-type: none"> (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; or (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);
<p>Public Officials</p>	<p>means:</p> <ul style="list-style-type: none"> (a) Any officer or employee, appointed or elected, of a local, state, regional, federal, or multi-national government or any department, agency, or ministry of a government; (b) Any individual who, although temporarily or without payment, holds a public position, employment or function; (c) Any officer or employee of a public international organisation such as the United Nations or the World Bank;

	<p>(d) Any individual acting in an official capacity for or on behalf of a government agency, department, ministry, or public international organisation;</p> <p>(e) A political party, political party official, or any candidate for political office;</p> <p>(f) Any officer or employee of a state-owned or state-controlled entity, as well as entities that perform a government function (such as air or seaport, utility, energy, water, or power); or</p> <p>(g) Any member of a royal family (note that such individuals may lack formal authority but may otherwise be influential in advancing the Company's business interests either through partially owning or managing state-owned or state-controlled companies).</p> <p><i>Note: Family members of any of the individuals listed above may also qualify as Public Officials if Associate or their Personnel's interactions with them are intended or have the effect of conferring Gratification on a Public Official.</i></p>
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