



LUSTER INDUSTRIES BHD

198601006973 (156148-P)

Anti-Bribery & Corruption Policy

1. POLICY STATEMENT

This Policy is intended to establish controls to prevent bribery and matters of corruption for Luster Industries Bhd. ("Luster", "LIB" or "the Company") and all subsidiary companies within the Luster Group, hereinafter refer to as the Group.

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to Bribery and Corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. We remain bound by local and national laws.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Policy (definitions denoting the singular number shall also include the plural number and vice versa and references to gender include both genders and the neuter where applicable):-

- "Agent"** Any individual acting as an agent, paid by the Company or its subsidiary, acting on their behalf in negotiating with Third Parties.
- "Bribery" / "Corruption"** Bribery or corruption is an act of giving or receiving of any Gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description.
- "Conflict Interest"** **of** Occurs when an individual or organization is involved in multiple interests, one of which could possibly corrupt, or be perceived to corrupt, the motivation for an act in another.
- "Donation"** A Donation is a voluntary contribution in the form of monetary or non-monetary gifts to a fund or cause for which no return 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(s)"** All individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home-workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us,

or any of our subsidiaries or joint ventures or their employees, wherever they are 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 or Third Party of a routine governmental action and not to obtain or retain business or any other undue advantage. 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.

Gratification

(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);

"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, business contacts, Intermediaries, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

3. SCOPE

This Policy applies to all Employees and relevant Third Parties of the Group and shall be communicated to them at the outset of our business relationship and as appropriate thereafter.

This Policy applies in all countries or territories where the Company operates. Where local customs, standards, laws or other local policies apply that are stricter than the provision of this Policy, the stricter rules must be complied with. However, if this Policy stipulates stricter rules than local customs, standards, laws or other local policies, the stricter provisions of this Policy shall apply.

4. GIFTS, INVITATIONS & HOSPITALITY

4.1 Reasonable gifts, invitation and hospitality are not prohibited provided:

- It could be comfortably disclosed to your superior;
- The offer will not put you in position of conflict;
- It must not contain the element to influence business decision;
- It must not be so frequent as to place the recipient under obligation
- The intention must not be interpreted as to gain unmerited advantage.

4.2 You are prohibited from accepting a gift or giving a gift to a Third Party/Public Official in the following situations:

- it is made with the intention of influencing a Third Party/Public Official 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 favors or benefits;
- it is given in your name and not in the name of the company;
- it includes cash or a cash equivalent (such as gift certificates or vouchers);
- it is of an inappropriate type and value and given at an inappropriate time (e.g. during a tender process); and
- It is given secretly and not openly.

4.3 We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable, justifiable and is proportionate. The intention behind the gift should always be considered.

5. FACILITATION PAYMENTS & KICKBACKS

5.1 In many jurisdictions, making Facilitation Payments is illegal. We do not make, and will not accept, Facilitation Payments or Kickbacks of any kind anywhere in the world.

5.2 Where the Facilitation Payments are being extorted or you are being coerced to pay it and your safety or liberty is under threat or you feel you have no alternative but to pay for personal or family peace of mind, then pay the Facilitation Payments and report this to your superior as soon as possible.

5.3 Political Contributions

Please note that the Group has adopted a global policy prohibiting any person/Employee(s) from making political contributions to political parties or candidates.

6. CONFLICTS OF INTEREST

6.1 Conflicts of interest arise in situations where there is personal interest that could be considered to have potential interference with objectivity in performing duties or exercising judgment on behalf of the Company. All personnel/ agents should avoid situations in which personal interest could conflict with their professional obligations or duties. Personnel must not use their position, official working hours, Company's resources and assets, or information available to them for personal gain or to the Company's disadvantage. In situations where a conflict does occur, personnel/ agents are required to declare the matter to HR/Finance/Group CEO.

7. RESPONSIBILITIES

7.1 Board of Directors

Agree and sets out the Anti-Corruption Policy.

7.2 Corporate Level

- To implement the Policy by setting out the Anti-Corruption Standard Operating Procedures.
- To approve relevant anti-corruption training on compliance and awareness for employees.
- To evaluate the effectiveness of the procedures adopted from time to time and advise the Board of Directors of any changes that may be required of the policy.

7.3 Management

- To communicate the Policy and standard operating procedure to all Employees.
- To communicate the Policy to all agents of the Group.
- To recognize the types of Gratification, Bribery and Corruption that may occur within the business of the Group.
- To ensure an adequate system of internal control exists and operates effectively to minimize the opportunity for employees and agents to receive or give or offer any form of Gratification, a Bribery inducement in the conduct of the Group's business for personal benefit or for the benefit of the Group.
- To ensure new employees and agents are given approved briefing on Anti Corruption Policy and SOP.

7.4 Employees

- Too familiar with the requirements and directives of this Policy;
- To act ethically and with integrity at all times especially when he or she is representing the Group;
- To record all transactions and payments promptly and accurately and in reasonable details;
- To report any potential or suspicious incidence of Gratification, Bribery or Corruption to the person specified in Section 6.5 below as soon as the employee has knowledge or becomes aware of such incidence.
- To not give, agree to give, promise or offer to or accept from any person/party, any form of Gratification or Bribery either voluntarily or when asked to do so in the

conduct of the Group's business for personal benefit or for the benefit of the Group.

7.5 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 that it will obtain a business advantage for them;
- (d) accept a gift or hospitality from a Third Party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- (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 lead to a breach of this policy or perceived breach of this Policy.

7.6 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'.

7.7 You must declare and keep a written record of all Gifts, Invitations & Hospitality according to Company practice accepted or offered, which will be subject to managerial review.

7.8 You must ensure all expense 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.

7.9 The prevention, detection and reporting of any form of Bribery & Corruption are the responsibility of all Employees. You must notify Head of Department 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.

7.10 All Employees have the responsibility to read, understand and comply with this Policy. You should at all times, avoid any activity that might lead to, or suggest, a breach of this Policy.

7.11 Any Employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. The Group shall notify relevant regulatory authorities

if any identified Bribery or Corruption beyond incidents have been proven beyond reasonable doubt.

7.12 This Policy should be read in conjunction with the Company's Gifts, Invitations & Hospitality policy, Whistle Blowing Policy and Code of Ethics.

7.13 Employees are encouraged to raise concerns about any instance, or suspicion, of malpractice at the earliest possible stage through their line manager or other available reporting mechanisms.

FURTHER "RED FLAGS" THAT MAY INDICATE BRIBERY OR CORRUPTION ARE SET OUT IN APPENDIX 1.

8. PROTECTION

Employees who refuse to take part in Bribery or Corruption, or report in good faith under this Policy 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.

9. GOVERNANCE

9.1 The Board of Directors have overall responsibility for ensuring this Policy complies with our legal and ethical obligations, and that all those under our control comply with it.

9.2 Head of Department has primary and day-to-day responsibility for implementing this Policy and for 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.

10. MONITORING AND REVIEW

10.1 The Company 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.

10.2 Head of Department will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

10.3 Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective. Head of Department will report to the CEO/Deputy CEO at least annually on the application of this Policy.

10.4 Reporting of the violation of this Policy

Employees or Third Party who encounter any actual or suspect violations of this Policy is required to report to the following emails:

Financial reporting, Unethical or illegal conduct	Chairman of Audit Committee ac.chairman@luster.com.my
Employment-related concerns	Head of Human Resources hr.manager@luster.com.my

APPENDIX 1

"RED FLAGS"

The following is a list of possible red flags that may arise during the course of your work for us 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 us, you must report them promptly to Head of 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 a 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 large 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.

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MR. LIANG WOUI GEE
DIRECTOR