



SOLID AUTOMOTIVE GROUP OF COMPANIES
ANTI-BRIBERY CORRUPTION (“ABC”) POLICY

1. INTRODUCTION

This document is issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“Amendment Act 2018”).

The provision of section 17A under MACC Act 2009 (Amendment Act 2018) establishes the principle of a criminal liability (corporate liability) for the corrupt practices of its employees and/ or any person(s) associated with the organisation in cases where such corrupt practices are carried out for the organisation’s benefit or advantage.

2. SCOPE

This Policy is applicable to anyone who is employed by or works at Solid Automotive Berhad and its subsidiaries (“Solid Automotive Group”) (whether in Malaysia or outside Malaysia and whether permanent, contract, temporary or outsourced), directors (whether executive and non-executive), company secretaries and committee members of Solid Automotive Group (together, “Personnel”). It is also applicable to customers, suppliers, contractors, sub-contractors, consultants, agents, distributors, representatives and service providers of any kind performing work or services, for or on behalf of Solid Automotive Group (together, “Business Partners”).

Joint venture companies in which Solid Automotive Group is a non-controlling shareholder or partner and associated companies are encouraged to adopt this Policy as the bare minimum or similar principles and standards as part of their anti-corruption framework.

3. ANTI-BRIBERY AND ANTI-CORRUPTION

The Malaysian Anti-Corruption Commission in its official portal (www.sprm.gov.my) describes “corruption” as an act of giving or receiving of any gratification or reward in the form of cash or in-kind of any value for performing a task in relation to his/her job function or activity. The example given is where a contractor rewards a Gift-in-Kind in the form of an expensive watch to a government official for awarding a project to the company belonging to the contractor.

The MACC Act stipulates four (4) main offences, being:

- Soliciting / Receiving Gratification (Bribe) - Sections 16 & 17(a) MACC Act
- Offering / Giving Gratification (Bribe) - Section 17(b) MACC Act
- Intending to Deceive (False Claim) - Section 18 MACC Act
- Using Office or Position for Gratification (Bribe) (Abuse of Power / Position) - Section 23 MACC Act

The Malaysian Anti-Corruption Commission (Amendment) Act 2018, which will be in force on 1 June 2020 introduces two (2) more offences, being:



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- Offering / Giving gratification by commercial organisation (Corporate Liability) – Section 17A MACC Act
- Deemed Parallel Personal Liability for Senior Personnel (Personal Liability) – Section 17A(3) MACC Act

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. Form of bribery includes kickbacks, inflated commissions, expensive Gift-in-Kind, political donations, excessive or inappropriate entertainment.

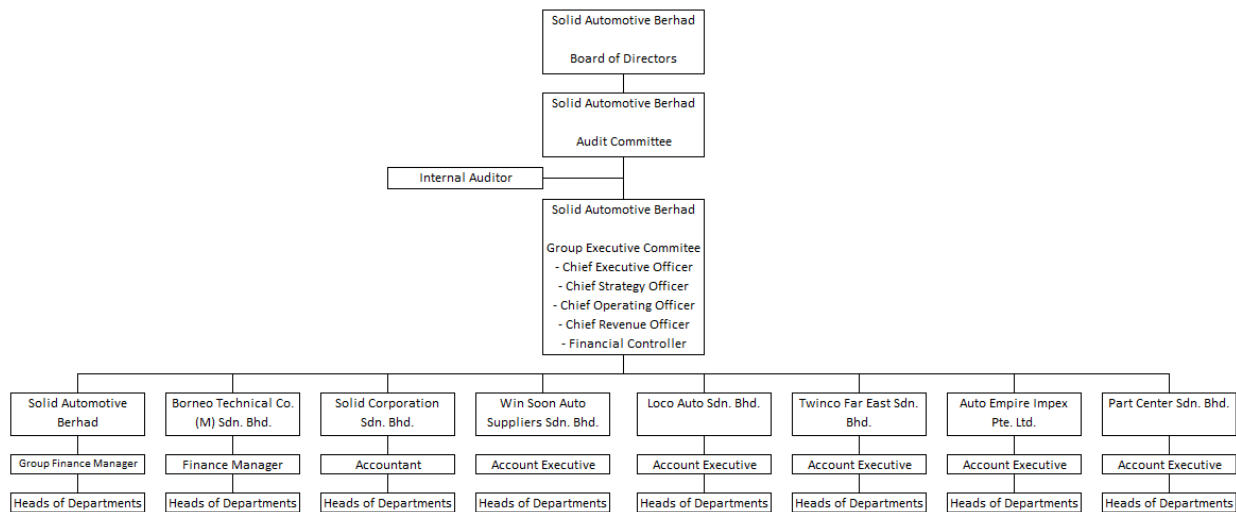
This Policy prohibits all forms of bribery and corrupt practices, and makes no distinction between whether they are being made to persons in the public or private sectors. Solid Automotive Group’s relationships with public officials, our Personnel, Business Partners and any other parties are based on transparency and integrity. Our Personnel and Business Partners 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 Personnel 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 Personnel will not suffer demotion, penalty or other adverse consequences in retaliation for refusing to pay or receive bribes or participate in other illicit behaviour.

Solid Automotive Group upholds the highest standard of integrity in all business interactions. Apart from ABC, Solid Automotive Group also strictly prohibits all money laundering and lobbying activities.

The core objective of the ABC Policy is to establish adequate procedures as well as policies and controls to ensure Solid Automotive Group’s compliance with the principles of zero-tolerance on any and all forms of bribery and corruption as well as applicable ABC laws and regulations.

Risk Management Committee handles and reports ABC related matters accordingly:

- Board of Directors (“BOD”) – Oversee AC
- Audit Committee (“AC”) – Oversee IA and EXCO functions, report to BOD
- Internal Auditor – Provide assurances to AC on respective areas
- Group Executive Committee (“EXCO”) – Make decisions to resolve issues, report issues to AC
- Risk Management Committee (“RMC”) – Compile, analyze and report issues to EXCO
- Head of Departments – Manage operational ABC matters, report issues to RMC



4. GIFT AND HOSPITALITY

Solid Automotive Group adopts a “No Gift Policy” where our Personnel are prohibited from exchanging, both giving and receiving, gifts in any form, in their dealings with third parties. However, to maintain reasonably good business relationship, allowable circumstances are elaborated below. Maximum thresholds (any lower threshold is acceptable), per person per event, are as follows:

- Less than RM1,000.00 – No approval required
- More than RM1,000.00 – Approval via Gift-in-Kind Application / Declaration Form from immediate superior (assistant manager and above) is required prior to / within five (5) working days upon providing / receiving gifts in any form to / from Third Party
- Less than 12 times a year – No approval required
- More than 12 times a year – Approval via Gift-in-Kind Application / Declaration Form from immediate superior (assistant manager and above) is required prior to / within five (5) working days upon providing / receiving gifts in any form to / from Third Party

While there are exceptions, strictly prohibited conducts for provision and receiving of corporate gift and hospitality are as follows:

- In conflict of interest (please refer to <http://solid.irplc.com/investor-relations/corporate-governance/pdf/code-of-conduct.pdf>) situation
- In the form of cash or cash equivalents
- That is lavish or excessive with a value above the predetermined maximum threshold
- That would be illegal or in breach of local or foreign bribery and corruption laws and regulations

4.1 Corporate gift

Corporate gift normally bears the company’s name and logo and are of nominal / appropriate value such as diaries, table calendars, pen etc. “Festive or ceremonial gifts” are traditional treats or gifts customary to the occasion such as red packets (without cash or cash equivalent), oranges and dates.



Corporate gifts, festive or ceremonial gifts may be given / received to / from our Business Partners or other parties provided it fulfils all of the following conditions:

- It should be clearly given as an act of appreciation or common courtesy associated with festive seasons or other ceremonial occasions
- It must not be used to cause or induce the receiver to improperly or illegally influence any business action or inaction or cause others to perceive an improper influence
- There must not be any expectation of any favour or improper advantages from the receiver
- If made secretly and undocumented then the purpose will be open to question
- The type of gift and its value must commensurate with the occasion and in accordance with general business practice
- It complies with applicable laws
- The expense must be recorded in the Gift-in-Kind Register and approved in accordance to the amount set out in Section 4 using the Gift-in-Kind Application / Declaration form

If you are in doubt, the Gift-in-Kind must not be given / received.

Our Personnel must record any Gift-in-Kind given / received, irrespective of value, in the Gift-in-Kind Register within five (5) working days from date of giving / receipt. In no circumstances may our Personnel (or anyone on their behalf) give / accept gift in the form of cash or cash equivalent (except for red packet tradition in token amount during the relevant festive season) to / from any party having business dealings with Solid Automotive Group.

All Gift-in-Kind given / received must be recorded, surrendered and / or declared to the management immediately where the management is expected to deal with the Gift-in-Kind in accordance with the Solid Automotive Group's internal guidelines for acceptance (e.g. donate to charity, share among employees, hold for departmental display, to be retained by employee).

4.2 Corporate hospitality

Corporate hospitality is generally corporate events, activities or travel packages organised by an organisation, which involves entertainment of employees and/or other parties for the benefit of that organisation. Examples of corporate hospitality include, but not limited to, trips / seminars / workshop / talks on subject matters relevant to the industry and town hall sessions. Other parties may include customers, contractors, consultants, bankers, lawyers, service providers of any kind, stakeholders with whom a business relationship (whether past, present or prospective) exists and the public at large.

As a general principle, our Personnel must not directly or indirectly offer / solicit corporate hospitality or give / accept corporate hospitality of any form that is excessive, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision.

While providing appropriate and proportionate corporate hospitality is a reflection of Solid Automotive Group's courtesy and generosity, our Personnel must exercise



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proper care and good judgement to ensure that the arrangement is legal under applicable laws, made for the right reasons and reasonable in its form and limit. More importantly, it must not be given or give rise to the perception that it is given to obtain business or advantage of any kind or unduly influence the outcome of a business decision.

Only authorized Personnel of the Solid Automotive Group is allowed to entertain third party through a reasonable act of hospitality, subjected to required approval requirements via Gift-in-Kind Application / Declaration Form.

5. FACILITATION PAYMENTS

Facilitation payments are form of payments made personally 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). In Malaysia, facilitation payment is illegal. It is seen as a form of corruption. Regardless of whether it is legal in any other country, facilitation payment is strictly prohibited under this Policy.

Our Personnel and Business Partners must not directly or indirectly offer, promise or give any form of facilitation payment to any public officials for any purposes.

There may be occasion where you are forced to make facilitation payments in order to protect your life, limb or liberty. In such occasion, you must immediately report the incident to Chief Executive Officer / RMC for the necessary action to be taken.

6. POLITICAL CONTRIBUTIONS

Our Personnel and Business Partners must not make donation or funding of any kind to political parties or individual politicians or towards political campaigns or initiatives for or on behalf of Solid Automotive Group. Any request for political donation or contribution must be pre-approved by the Board of Directors of Solid Automotive Berhad and no political contribution may be made unless Solid Automotive Group has received a satisfactory opinion from qualified local counsel as to its legality under applicable laws.

Our Personnel may participate in political activities in their individual capacity with their own money and at their own time but to make it clear that their individual political views and actions are personal and not reflective or representative of Solid Automotive Group. Solid Automotive Group will not reimburse any personal political contributions.

7. CHARITABLE CONTRIBUTION

Solid Automotive Group will only provide charitable or educational donations and public welfare sponsorships if they are ethical and legal under applicable laws. All donation and sponsorship expenses must be approved in accordance with Solid Automotive Group's standard operating procedures.

Recipients of charitable donations must be an institution or organisation or fund approved under Income Tax Act 1967 Subsection 44(6). Recipients of other donations



or sponsorships, based on CTOS reports, must not be related to our business operations and politics.

Our Personnel and Business Partners must never use donations or sponsorships to obtain business or advantage of any kind or unduly influence the outcome of a business decision or cause others to perceive it as such. The use of donations or sponsorships in this manner is strictly prohibited under this Policy.

8. ANTI-BRIBERY AND ANTI-CORRUPTION FUNCTION

Solid Automotive Group has assigned the RMC to be responsible for all anti-bribery and anti-corruption compliance matters.

RMC is adequately equipped to act effectively against bribery and corruption in the following manner:

- Provide advice and guidance on anti-corruption compliance programme and issues relating to bribery and corruption
- Take appropriate steps to ensure that there is adequate monitoring, measurement, analysis and evaluation of the anti-corruption compliance programme
- Report on the performance of the anti-corruption compliance programme to the management and Audit Committee regularly
- Consist of independent professionals with integrity and objectivity
- Meet half-yearly to manage and discuss ABC issues

Appropriate resources shall be provided for effective operation of the anti-corruption compliance programme and that RMC is staffed with persons who have the appropriate competence, status, authority and independence.

RMC tasked with responsibility for overseeing the anti- corruption compliance programme shall be reporting to Solid Automotive Group EXCO, Audit Committee and Board of Directors. If the matter relates directly to a member of the Board or the compliance function, he/she shall abstain completely from deliberating on such matter.

9. DEALING WITH BUSINESS PARTNERS

Business Partners due diligence to be carried out before entering into any arrangements with them.

Business Partners are subjected to the following Business Partners Anti-Bribery and Corruption Risk Management process (work-done subjected to respective departments' SOPs):

- Business Partners Risk Assessment
- Review and Registration
- Proportionate Due Diligence
- Contract or trading terms with Business Partners shall include the compliance with Solid Automotive Group's ABC Policy
- Communications on the importance of countering bribery and corruption



10. DEALING WITH EMPLOYEES

Employees are subjected to the following Employees Anti-Bribery and Corruption Risk Management process (work-done subjected to respective departments' SOPs):

- Job Function Risk Assessment
- Recruitment and screening process
- Proportionate Due Diligence
- Contract with Employees shall include the compliance with the Solid Automotive Group's ABC Policy
- Communications and training to communicate clearly to Employees the importance of countering bribery and corruption, ABC Commitment, ABC Policy, the ways it expects Employees to act and consequences of non-compliance
- Continuous Monitoring on ABC compliance of Employees

11. WHISTLE BLOWING POLICY

If you suspect, or reasonably believe that this Policy has been, or is being breached, you have an obligation to report your concerns to your Manager or where applicable, you may report such concerns using the reporting channels under the Whistle Blowing Policy available at <http://solid.irplc.com/investor-relations/corporate-governance/pdf/whistle-blowing-policy.pdf>.

All concerns reported will be taken seriously, treated in confidential manner and investigated immediately. Your anonymity will be protected unless the disclosure is required by law pursuant to an investigation or legislation, but you may be required to provide a statement as supporting evidence to any investigation. Any retaliation directed against anyone making such report will not be tolerated.

12. ENFORCEMENT FOR NON-COMPLIANCE

Solid Automotive Group regards acts of bribery and corruption seriously and will take appropriate actions in the event of non-compliance of this Policy. For our Personnel, non-compliance of this Policy may lead to disciplinary action and termination of employment.

For Business Partners, non-compliance of this Policy may lead to termination of contract and claim for damages.

13. TRAINING AND COMMUNICATION

The ABC Policy, Code of Conduct and Whistle Blowing Policy (<http://www.solidautomotive.com/news-ir/corporate-governance.html>) are public documents which shall be communicated to all our Personnel and Business Partners. Our Personnel and Business Partners must read and understand Solid Automotive Group's position on these areas, and subsequently sign an ABC Commitment and Declaration Form.

Annual training / refresher briefing on above mentioned areas shall be provided to our



Personnel.

14. CONTROL ACTIVITIES

Financial controls, non-financial controls and due diligence process are implemented in order to manage and prevent bribery and corruption risks identified by Solid Automotive Group.

i. Financial Controls

Solid Automotive Group shall implement relevant financial controls that manage bribery and corruption risks and to manage its financial transactions properly and to record these transactions accurately, completely and in a timely manner.

Relevant financial controls are documented in the relevant standard operating procedures and work instructions maintained by Solid Automotive Group.

ii. Non-Financial Controls

Solid Automotive Group shall implement relevant non-financial controls that manage bribery and corruption risks and to manage with respect to such areas as procurement, operational, sales, commercial, human resources, legal and regulatory activities.

Relevant non-financial controls are documented in the relevant standard operating procedures and work instructions maintained by Solid Automotive Group.

iii. Due Diligence

Due diligence shall be conducted on key Personnel and third party (including any Business Partners that act on behalf of Solid Automotive Group) before entering into any official relationship with Solid Automotive Group. These include background checks (CTOS), document verification and self-declaration.

Relevant due diligence process for key Personnel and third party are documented in the relevant standard operating procedures and work instructions maintained by Solid Automotive Group.

The financial controls, non-financial controls and due diligence process implemented are subjected to continuous improvement based on the results of the subsequent risk assessment, incident management, responses to non-compliances and review, evaluation and continuous improvement.

15. MONITORING AND REVIEWING

Solid Automotive Group's RMC is responsible for monitoring the effectiveness of this policy and will review the implementation of it on a regular basis. They will assess its suitability, adequacy, and effectiveness.

- Performance review of bribery and corruption risk assessment shall be carried out annually
- All details (e.g. provider/recipient, amount, date, reason/purpose, requested/approved by and etc.) of corporate gifts / hospitality / donations / sponsorships received and provided, below and above (with approval)



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thresholds, recorded by respective recipients and providers in a Gift-in-Kind Register which are subjected to review

- Above mentioned thresholds, background checks and respective approval matrixes serve as key internal controls
- Work with Human Resource, Sales, Procurement and other relevant teams to perform background checks (CTOS) on key Personnel and Business Partners (both existing and new)
- Investigate incidents received from whistle blowers and report accordingly to Group EXCO and AC

Internal control systems and procedures designed to prevent bribery and corruption are subjected to regular audits to ensure that they are effective in practice. All ABC-related records and documents shall be retained for a period of 7 years.

Any need for improvements will be applied as soon as possible. Employees are encouraged to offer their feedback on this policy if they have any suggestions for how it may be improved. Feedback of this nature should be addressed to the RMC.

This policy shall be reviewed by the Board every three (3) years or as required when internal or external events warrant a more frequent review to be undertaken. It does not form part of an employee's contract of employment and may amend it at any time so to improve its effectiveness at combatting bribery and corruption.

This Policy, SAB/ABCP/V1/R1, is adopted by the Board on 28 March 2024.