PROGRESSIVE IMPACT CORPORATION BERHAD
(“PICORP”)

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FAIR TRADE POLICY

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FAIR TRADE POLICY

1. OBJECTIVES

Progressive Impact Corporation Berhad ("PICORP") and its subsidiaries ("PICORP Group") is committed in exercising fair trade and business competition activity based on integrity, product(s), service quality and price in all of its business operations. PICORP Group recognizes the importance and its responsibility to ensure that its business practices to fully comply with all applicable laws in Malaysia including the Competition Act 2010 (Act 712) ("the Act"). PICORP Group is committed in adopting the principles under the Act in all business operations in order to seek objectives and to safeguard the process of free and fair competition in commercial markets opportunities, the benefit of consumer welfare, efficiency of enterprises and the development of the economy as a whole.

2. SCOPE

This Policy is applicable to PICORP Group, its controlled organisations, business associates acting on PICORP Group's behalf, the Board of Directors and all employees within PICORP Group.

Joint-venture companies in which PICORP Group is non-controlling or co-venture and associated companies are encouraged to adopt these or similar principles. Clients, external providers including but not limited to vendors, suppliers, contractors and consultants are also expected to comply with this Policy in relation to all work conducted with PICORP Group, or on PICORP Group's behalf.

It is PICORP Group's policy that an employee participating in the violation of the Act will be punished for any misconduct. Any behaviour even suggestive of illegal anti-competitive activity is against PICORP Group's policy and any employee engaging in such conduct should expect to face disciplinary action by PICORP Group, if found liable. In case of doubt concerning the compliance of your activity with antitrust rules, you must contact the Group Legal Department for consultation.

3. <u>PRINCIPLES</u>

A. PROHIBITION ON RESTRICTIVE AGREEMENTS OR PRACTICES

Competition law provisions applicable throughout the world generally prohibits all agreements between enterprises, decisions by associations of enterprises or concerted practices, which have as their object or effect the prevention, restriction or distortion of competition to a material extent within the territory in which any such provision is applicable. Please note that the type and wording of the agreement is irrelevant: not only formal, but also informal agreements, fall under the said prohibition; not only written, but also verbal agreements and so called "Gentlemen's Agreement", fall within the scope of the prohibition of restrictive agreements and practices.

Anti-competitive agreements are divided into two categories:

(a) Vertical restraints; and
(b) Horizontal restraint.

(a) Vertical Restraint Agreements

Vertical restraints are agreements restricting competition between companies acting on different levels of trade, *i.e.,* agreements between a company and its distributors, customers, licensees or suppliers. The lawfulness of vertical restraints largely depends on the market context (in particular, market shares of the parties to the agreement and economic justifications) and often requires a precise legal analysis.

(b) Horizontal restraint

Horizontal restraints are agreements or coordinated practices between companies acting on the same level of trade, *i.e.,* agreements between competitors. Horizontal restraints on key competitive parameters (*e.g., prices, quantities, clients, sales territories*) have generally been found automatically to be unlawful regardless of whether they have actually been implemented and/or have any effect on the market.

B. PROHIBITION OF ABUSIVE MARKET BEHAVIOR

Under competition laws, it is illegal for companies with strong market power (a "dominant position") to exploit their market position in an abusive way that may affect trade. A company is generally considered to have a dominant position if it is the principal supplier or purchaser of a given set of products or services in a geographic area, and if it is able to exercise a significant degree of market power over its customers or suppliers.

Market power may be held by one company individually or by two or more companies collectively. Although market share is not the only factor in determining whether dominance exists, it nevertheless provides a reliable proxy to assess the enterprise's market power. Generally speaking, a company will not be considered dominant if its market share is below 30%. Market shares between 30% and 50% may be indicative of market power/dominance. A case-by-case assessment is therefore required. Finally, market shares above 50% typically give rise to a presumption of dominance.

A situation of individual dominance generally arises where other conditions are met, such as (i) the company's competitors have much smaller market shares and customers have no effective countervailing power; and (ii) barriers to entry (e.g., regulations, minimum investment size, lack of available input/intellectual property or distribution facilities) into this particular market are high, thereby limiting potential entry for new competitors. An assessment of market power under competition law therefore requires a detailed economic assessment of the dynamics of competition in the marketplace.

C. PROHIBITION OF BUSINESS COMBINATIONS THAT MAY SUBSTANTIALLY REDUCE COMPETITION

Generally, a company acting independently can act as it chooses, unless it becomes so dominant in a given market that it is considered to have "special duties" *vis-à-vis* its competitors, suppliers and customers. Such "*special duties*" may prevent a company from engaging in certain business practices that would be considered as normal commercial conduct if the company was not dominant (*e.g.,* refusals to sell, promoting certain products as loss leaders or at very low prices, giving certain types of rebates or selling at certain conditions that result in *"tying"* customers, concluding exclusive arrangements with suppliers or customers, discriminating between different distributors, licensees, or customers, or in certain cases refusing to give access to certain intellectual property rights or assets to a competitor or customer). Note that it is not the dominant position in itself that is anti-competitive, but rather the way in which the dominant company acts on the market *vis-à-vis* its competitors, customers or suppliers.

D. CONTACTS WITH COMPETITORS

No information of any competitive significance may be discussed or exchanged, and no formal or informal agreement may be entered into, with any representative of any competitor on any occasion, except with due written permission from the Managing Director of PICORP Group.

In this respect, you must never discuss or exchange information with a competitor on any of the following topics:

- pricing and other terms of sale (*e.g.,* discounts);
- production or other costs;
- profit margins and data;
- purchase prices and dealings with suppliers;
- marketing action;
- identity and dealings of customers;
- production volumes and strategy;
- sharing markets in terms of products, customers or geographical areas;
- refusal to supply a certain customer;
- refusal to purchase from a particular supplier; and
- new products or investment plans

E. TRADE ASSOCIATION MEETINGS

Joining a trade association meeting is, in principle, allowed. When dealing with competitors and members of trade associations, you must never:

- enter into any discussion, exchange of information, agreement or understanding with competitors concerning prices, costs, production, clients, bids or marketing;
- engage in discussion which relates either directly or indirectly to matters which is against the Act. In such circumstances you must state your objection and leave the room if a prohibited subject is raised at a trade association meeting.

F. CONTACTS WITH CUSTOMERS AND SUPPLIERS

Although collusion between competitors generally constitutes the most serious violation of competition laws and are generally illegal, certain other types of arrangements with customers or suppliers are also forbidden.

The following arrangements with customers and suppliers may run afoul of competition laws:

(i) Restriction on the territory into which, or on customers to whom, a distributor may sell goods

A distributor and a supplier may agree that the distributor can only resell the products in a particular territory or to a particular class of customers under certain limited circumstances. Since an in-depth legal analysis is required to determine whether the requirements for the lawfulness of such arrangement are met, you are urged to submit all agreements that would contain such restrictions first to the Group Legal Department to ensure that these restrictions are properly structured and supported by legitimate business purposes.

(ii) Bundling

"Bundling" is making the sale of a product or service conditional on the purchase of separate and distinct products or services that a customer is not really interested in buying, or that it may wish to purchase from someone else. A company that is dominant in respect of a given product may not bundle that product with a separate product. The Group Legal Department can provide specific guidance as to whether a particular bundling arrangement is legal. You are therefore urged to consult first the Group Legal Department before entering into any such arrangement with a customer.

(iii) Exclusive Dealings

Exclusive dealing arrangements involve an obligation for customers to purchase all their requirements from one supplier. Although exclusive dealings are not automatically prohibited, exclusive dealings by dominant companies have generally been found to be abusive. The legality of exclusive dealing arrangements depend on specific factual circumstances and market context. Since an in-depth legal analysis is required to determine whether the requirements for the lawfulness of such arrangements are met, you are urged to submit all agreements that would contain such an exclusivity requirement first to the Group Legal Department for consultation.

All employees of PICORP Group has a responsibility to comply with competition rules and regulations as the penalties for breaching competition laws are severe. Fines for anti-competitive behaviour can be up to 10% of the PICORP Group's annual turnover. Individuals convicted of the offence can be fined as well as face imprisonment.

The Policy will be reviewed and updated as and when necessary, for the Board's approval.

The Policy sets out the general principles and guidance, and shall not constitute a ground for any counterparts, stakeholders, third parties *etc.* to claim against PICORP Group for any liability.

G. COOPERATION WITH ENFORCEMENT AUTHORITIES

PICORP Group's policy is to cooperate with the enforcement authorities in carrying out their law enforcement responsibilities. Be polite and cordial if contacted by Competition Authorities, but always refer them immediately to your Head of Company and Group Legal Department before answering any question or providing materials.

H. INTERNAL DOCUMENTS AND OTHER COMMUNICATIONS

Internal documents are often the most important evidence in a competition law related investigation or litigation. This includes documents in hard copy and handwritten notes as well as electronic documents, such as e-mails and drafts that might be saved on a hard disk. Thus, it is extremely important that you exercise due care in the drafting and exchange of any document or correspondence to avoid any legal problem, including internal documents.

In light of the above, when dealing with internal documents, **you must not**:

(i) write down anything that could be misconstrued and give the appearance of improper conduct *vis-à-vis* competitors, business partners and customers or use "*buzz words*", e.g., "*market power*", "*dominant position*", "*destroy after reading*", "*we have consulted with the market*" or "*we will destroy these guys*";

(ii) exaggerate PICORP Group's market position or market power, e.g., "*we are dominant in this area*" or "*competitor is scared and will follow our prices*";

(iii) use language that could suggest coordination with competitors, e.g., qualify a competitor's lower prices as "*unethical*" or a lost customer as "*stolen*" by a competitor, or refer to a trade association as a "*club*";

(iv) use expressions suggesting guilt, such as "*destroy after reading*", or "*top secret*"; such terms are generally useless and attract attention to what you are saying;

(v) destroy any document or other piece of evidence – irrespective of how incriminating it may be for PICORP Group – in case enforcement authorities conduct an unannounced inspection at one of PICORP Group's sites or PICORP Group is otherwise being investigated by the authorities; and

(vi) carefully document any source from which information concerning competitors was obtained, e.g., if you receive a competitor's price list from a customer, mark the document as such to avoid any suspicion of improper contact with a competitor.

Conversely, you have to:

(i) treat every document that you create as if it will be read by an enforcement official or an opposing lawyer in a litigation;
(ii) treat e-mail and other electronic documents the same as hard copy documents. Assume that electronic versions of documents will remain in the system indefinitely and will be available to the other side in any future investigation or case;
(iii) request the Group Legal Department to review documents that might have antitrust significant; and
(iv) send all correspondence received directly from a competitor, which deals with competitive information, to the Group Legal Department for their review.

I. COMMUNICATIONS WITH GROUP LEGAL DEPARTMENT

You have a duty to seek the advice of the Group Legal Department as soon as you identify a situation that you believe may involve PICORP Group in a breach of competition rules. Note that communications with the Group Legal Department are not covered by legal professional privilege (*i.e., the documents sent and received can be disclosed in legal proceedings and can be used to prove the infringement*). Legal privilege only covers:

(i) communications with external legal counsels; and
(ii) communications/documents (internally) prepared exclusively for the purpose of obtaining legal advice from external counsels.

To help assist the Group Legal Department to provide the correct advice, you should disclose to it all the relevant facts of which you are aware, whether favourable or embarrassing. You should also be prepared to assist it in obtaining whatever additional information it may require.

J. RESPONSIBILITY FOR THE POLICY

(a) The Board of Directors and the Management team of PICORP Group set the tone at the top providing leadership and support for the Policy and take responsibility for its effectiveness within its business units. PICORP Group Management is responsible for the implementation of the Policy and all communication and training activities in relation to the Policy to ensure that those reporting to them are made aware of, and understand, this Policy.

(b) The Management team of PICORP Group shall provide appropriate levels of competition law training for its employees at all levels throughout the organisation.

K. EFFECTIVE DATE

The Policy is approved by the Board of Directors and effective as of **26 August 2026**.