



**MICROLINK SOLUTIONS BERHAD**  
**[Registration No. 200301018362 (675362-P)]**

**ANTI-BRIBERY AND CORRUPTION POLICY**

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## 1.0 INTRODUCTION

### 1.1 Application of the ABC

It is the policy of MICROLINK GROUP to conduct its business in an open, honest and ethical manner. MICROLINK GROUP adopts a zero-tolerance approach to all forms of Corruption.

The ABC sets out the statements and guidelines in relation to improper solicitation, Bribery and other Corrupt activities and issues that may arise in the course of business, and is applicable to every Employee and Staff of MICROLINK GROUP whom are expected to carry out their duties in a professional manner with utmost integrity while avoiding any conflict of interest. Joint-venture companies in which MICROLINK is a non-controlling co-venturer and associated companies are encouraged to adopt the ABC or similar principles and standards. Contractors, sub-contractors, consultants, vendors, agents, representatives, business partners and others performing work or services for or on behalf of MICROLINK GROUP companies will comply with it in relevant part when performing such work or services.

The respective supervisors are responsible to ensure that their subordinates read, understand and comply with this Policy at all times. This does not remove individuals' responsibility to inform themselves of the appropriate requirements.

If a local law conflicts with the ABC, the law will prevail. However, if a local custom, norm or practice conflicts with the ABC, the Policy will prevail. In particular, MICROLINK GROUP requires compliance with the relevant laws in relation to Corruption, including but not limited to, the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018), the Penal Code (Act 574) ("Penal Code") and the Anti-Money Laundering and Anti-Terrorism Financing Act 2001 ("AMLA 2001").

It is intended to serve as a preventive tool to help MICROLINK GROUP Staff and Employees recognise, detect and avoid potential Corrupt practices.

### 1.2 MACC Act 2009 (Amendment 2018)

The MACC Act 2009 (Amendment 2018) sets out the following offences relating to Bribery and Corruption:

- a) Soliciting or receiving any Gratification as an inducement or a reward for doing or forbearing to do anything;
- b) Giving, promising or offering any Gratification as an inducement or a reward for doing or forbearing to do anything;
- c) Giving or using false, erroneous or defective statements with the intention to deceive or mislead;
- d) Being an officer of a public body, using his office or position for any Gratification; and
- e) Failing to report any of the above offences.

Any commission, participation or involvement in these offences, and any related wrongdoings or misconducts, constitute a serious violation of this ABC.

### 1.3 Abbreviations, Acronyms and Definitions

For purposes of the Policy, the following abbreviations, acronyms and definitions will be applicable:

CEO	Chief Executive Officer
COC	Code of Conduct
ABC	Anti-Bribery and Corruption Policy
HOD	Head of Department/Company (which shall include a CEO and Chief Operating Officer, or their equivalent)
BUH	Business Unit Head
HC	Human Capital
ITB	Invitation to Bid

**Bribery** means the action of soliciting, receiving, giving or promising Bribes.

**Bribes** are Gratifications given specifically for the purpose of enticing winning favours or to influence the decision or behaviour of an individual or company to benefit a party or the organisation represented.

**Cash** may include but not limited to money in any currencies, in any transaction form such as bank notes or coins, bank cheque, money order, and postal order.

**Conflict of interest** means a situation in which an individual or company with an obligation to MICROLINK GROUP has a conflicting interest, or is in a position to take advantage for personal benefit, including the benefit for their family/household and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by MICROLINK GROUP from its Employees and directors, and Third Parties acting for or on its behalf, in the performance of their duties and obligations.

**Corporate events and activities** include but are not limited to sporting events, gala dinners, concerts or activity-based events such as golf tournaments, concerts and F1 Races.

**Corporate hospitality** is generally defined as corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation.

**Corruption** means any unlawful or improper behaviour that seeks to gain an advantage through illegitimate means, and includes without limitation, Bribery, abuse of power, extortion, fraud, deception, collusion, cartels, embezzlement and money laundering. The word "**Corrupt**" shall be construed accordingly.

**Counterparty** is defined as any party that MICROLINK GROUP is currently in a relationship with or intends to do business with in the future, either on a regular or one-off basis.

**Employees** are any persons who are in the employment of MICROLINK GROUP, including but not limited to, permanent and temporary executives, non-executives, secretaries, secondees and individuals on direct hire including contract employees.

**Facilitation payment** is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.

**Family/household** includes spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other relevant members of the household.

**Gifts** may include but not limited to consumables and non-consumables items and products such as:

- Food and beverages, including hampers and goodie baskets
- Cash vouchers (for redemption of goods or services of a certain value)
- Admission tickets to entertainment and/or sporting events
- Electrical consumer products
- IT, telecommunication products, gadgets and computer peripherals

**Gratification** is defined under the MACC Act 2009 (Amendment 2018) as:

- money, donation, Gift, loan, fee, reward, valuable security, property or interest in property (whether movable or immovable), financial benefit, or any other similar advantage
- any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity
- any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part
- any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage
- any forbearance to demand any money or money's worth or valuable thing
- any other service or favour, 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
- any offer, undertaking or promise, whether conditional or unconditional, of any of the above gratifications

**MICROLINK GROUP** means Microlink Solutions Berhad, its subsidiaries and controlled companies. Controlled companies mean companies wherein Microlink Solutions Berhad owns 51% or more shareholding, controls the composition of their board of directors or controls more than half of their voting power, and includes the subsidiaries of any of the aforementioned companies. The expression "MICROLINK GROUP" is used for convenience where references are made to MICROLINK

companies in general. The companies in which MICROLINK has direct or indirect shareholding are distinct legal entities.

**Money laundering** is defined as an action occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including financing terrorism.

**Non-company Function and Event** means a function or event where the attendance of Employee does not have significant effect or perceived to influence the outcome of business dealings.

**Public or Government officials** include, without limitation, candidates for public office, officials of any political party, and officials of state-owned enterprises other than MICROLINK GROUP.

**Souvenirs** may include but not limited to articles given as part of donor's business activities such as:

- Marketing premiums (stationeries, notepad, key ring)
- Promotional items (cap/hat, T-shirt, bag)

**Staff** includes Employees, trainees and interns, direct contractors, sub-contractors, agents, representatives and direct consultants.

**Third Parties** may include customers, potential customers, contractors, external companies, intermediaries, introducers and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.

**Tokens** may include but not limited to items given as appreciation such as:

- Bouquet of flowers
- Memento of an event

**Trading in influence** means the gesture either offered by donor or to a receiver that may affect or perceived to influence the outcome of business dealings such as discount, accommodation, credits, services, travel, token, cash or cash equivalent and gift.

#### 1.4 Changes to the ABC

If an Employee or Staff would like to request any amendments or changes to the ABC, he should consult the respective HOD/BUH who will then forward the recommendations to the HC Department.

Any changes to the ABC must be approved by the Group CEO or Executive Director. The HC Department will review any recommendation for changes in consultation with the Legal Department before submitting it to the Group CEO or Executive Director for approval.

### **1.5 Validity and Review of the ABC**

The ABC will be reviewed once every three (3) years or as and when deemed necessary by the HC Department.

### **1.6 Responsibility for the ABC**

The HC Department shall be the process owner of the ABC, and shall be responsible for developing, communicating, reviewing and enforcing the ABC. The HC Department may cooperate with the HODs and BUHs of other departments to ensure compliance of the ABC by the Employees and Staff under their respective supervision, or to implement any new processes and procedures under the ABC.

The effectiveness and performance of MICROLINK GROUP anti-Bribery and Corruption framework will be reviewed by an external risk consulting firm once every three (3) years, or as and when deemed necessary by the HC Department.

## **2.0 GIFT, ENTERTAINMENT AND CORPORATE HOSPITALITY**

### **2.1 No Gift Policy**

MICROLINK GROUP has adopted a “No Gift Policy” whereby, subject only to certain narrow exceptions, MICROLINK GROUP Employees and directors (executive and non-executive), family members or agents acting for or on behalf of MICROLINK GROUP employees, directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts.

MICROLINK GROUP requires Employees and directors to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between MICROLINK GROUP and external parties as a gift can be seen as a Bribe that may tarnish MICROLINK GROUP’s reputation or be in violation of anti-Bribery and Corruption laws.

It is the responsibility of Employees and directors to inform external parties involved in any business dealings with MICROLINK GROUP that the GROUP practices a “No Gift Policy” and to request the external party’s understanding for and adherence with this policy.

### **2.2 Receiving Gifts**

Exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Some external parties may still insist in providing gifts to MICROLINK Employees, directors and/or their family members in certain situations which do not fall within the general exceptions. Although the general principle is to immediately refuse or return such gifts, accepting a gift on behalf of MICROLINK GROUP is allowed only in very limited circumstances, whereby refusing the gift is likely to seriously offend and may sever MICROLINK GROUP’s business relationship with the Third Party. However, in no circumstances may an Employee, director or their family/household members accept gifts in the form of cash or cash equivalent.

In these limited circumstances, Employees are expected to immediately record the gift in the Gift Register maintained by the Manager of the Admin Department and notify the respective HOD/BUH who will then decide whether to approve the acceptance of the gift or require it to be returned. Directors should inform the Company Secretary, as soon as reasonably practicable, to seek advice when faced with a similar situation.

Even if it may appear disrespectful to refuse a gift from an external party, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then clearly the HOD/BUH cannot approve the acceptance of the said gift. In this situation, the gift must be politely returned with a note of explanation about MICROLINK GROUP's "No Gift" and ABC policies. In the event the HOD/BUH approves the acceptance of the gift, it must be treated as company property and shall also be determined whether the gift should be treated/handled as either of the following:

- a) Donate the gift to charity; or
- b) Hold it for departmental display; or
- c) Share it with other Employees; or
- d) Permit it to be retained by the Employee to be used publicly for the benefit of other Employees.

In determining the above, HODs/BUHs are expected to exercise proper care and judgment in each case, taking into account pertinent circumstances including the character of the gift, its purpose, the position/seniority of the person(s) providing the gift, the business context, reciprocity, applicable laws and cultural norms. For gifts exceeding a monetary value of **RM 500**, the acceptance of the gift must also be approved by the Group CEO or Executive Director in addition to the approval of the relevant HOD/BUH.

### 2.3 Providing Gifts

Generally, Employees are not allowed to offer, promise or provide gifts to Third Parties with the exception of the Group CEO, the Executive Director and any other specified officers.

Any gift must be unsolicited and not affect, or be perceived as affecting, business judgment. Gifts should only be offered in connection with a customary business or cultural occasion and in good faith. Employees and directors are strictly prohibited from offering, promising or providing gifts in the form of cash, cash equivalents, kickbacks and loans under any circumstances. Gifts must also not exceed a monetary value equivalent to **RM 500** and/or be provided more than **3 times a year** to the same party.

### 2.4 Exceptions to 'No Gift' Policy

Although generally MICROLINK GROUP practices a "No Gift" Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:

- a) Exchange of gifts at a company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter the said gift is treated as company property);

- b) Gifts from a company to external institutions or individuals in relation to the company's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event);
- c) Gifts from MICROLINK GROUP to Employees and directors and/or their family members in relation to an internal or externally recognised company function, event and celebration (e.g. in recognition of an Employee's/director's service to MICROLINK GROUP);
- d) Token gifts of nominal value normally bearing the MICROLINK GROUP or donor's company logo (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners, shareholders and key stakeholders attending events such as conferences, exhibitions, training, trade shows, general meetings etc. and deemed as part of the company's brand building or promotional activities;
- e) Perishable items (e.g. fruits, flowers, cakes etc.) given and received during festivals or special occasions not on a personal basis, to be shared and distributed to all employees; and
- f) Gifts from MICROLINK GROUP to external parties who have no business dealings with MICROLINK GROUP (e.g. monetary gifts or gifts in-kind to charitable organisations).

Even in the above exceptional circumstances, Employees and directors are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the general principles set out below:

- Conscientiously maintain the highest degree of integrity,
- Always exercise proper care and judgement,
- Avoid conflicts of interest,
- Refrain from taking advantage of official position or exercising authority to further personal interest or for any Gratification (whether for himself, his family/household member or associate) at the expense of MICROLINK GROUP, and
- Comply with applicable laws, regulations and MICROLINK GROUP policies and procedures

## 2.5 Providing Entertainment

MICROLINK GROUP recognises that providing modest entertainment is a legitimate way of building business relationships and as such a common practice within the business environment to foster good business relationship with external clients. As such, eligible Employees and Staff are allowed to entertain external clients through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the recipients.

In some cultures, the act of hospitality through entertainment is a central part of business etiquette. However, this may not necessarily be the case in every culture or in all circumstances as it may create a negative perception if observed or known by

others despite selfless motives behind the entertainment provided. Employees and directors should always bear in mind that this is an area where perception is often regarded as more important than facts and therefore proper care and judgment should always be exercised when providing entertainment to Third Parties especially when it involves public officials to ensure compliance with anti-Bribery and Corruption laws.

Employees and directors are strictly prohibited from providing or offering to provide entertainment with a view to improperly cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of Bribery and contrary to the general values and principles of the ABC.

Entertainment must be unsolicited and must not be extended to the recipient's family/household members or other guests. They may only be offered in conjunction with legitimate business meetings and events endorsed by MICROLINK GROUP, and never on a stand-alone basis. An Employee's entertainment expenses should not exceed **RM 500** (for managers) and **RM 1,000** (for sales directors and above) per month, unless otherwise approved by the Group CEO or Executive Director in consultation with the Legal Department.

## 2.6 Receiving Treatment

MICROLINK GROUP recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by Third Parties in the normal course of business is a legitimate way to network and build good business relationships. However, it is important for Staff and directors to exercise proper care and judgment before accepting entertainment offered or provided by a Third Party. This is not only to safeguard MICROLINK GROUP's reputation, but also to protect Staff and directors from allegations of impropriety or undue influence.

Under no circumstances, however, may Staff or any of their family/household members accept entertainment in exchange for an exercise or non-exercise of MICROLINK GROUP authority or otherwise to the detriment of MICROLINK GROUP.

## 2.7 Corporate Hospitality

Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate vs. illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.

Corporate hospitality would be illegitimate in the following situations:

- If it provides an advantage to another person if offered; or
- If it is given with the intention of inducing the recipient to perform a relevant function improperly; or
- If there is knowledge that acceptance of the advantage would in itself be improper performance.

Transparency International has advocated corporate hospitality arrangements/activities should conform to the following basic principles:

- Transparency, in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept;
- Proportionality, in that the corporate hospitality must not be too excessive. In addition, the corporate hospitality must commensurate with the recipient's official capacity and not provided in his/her personal capacity;
- Reasonableness, in ensuring that the corporate hospitality is not lavish; and
- Bona fide, where the intention to offer and/or provide the corporate hospitality is done with good and legal intentions.

### **3.0 DEALING WITH PUBLIC OFFICIALS**

Caution must be exercised when dealing with public officials. Providing gift, entertainment or corporate hospitality to public officials or their family/household members is generally considered a 'red flag' situation.

Employees are prohibited from providing gift, entertainment or corporate hospitality to, or paying for non-business travel and hospitality for, any government official or their family/household members without permission from the Group CEO or Executive Director in consultation with the Legal Department.

If approval is obtained for the provision of a gift, entertainment or corporate hospitality to public officials, the Employee must ensure that the gift, entertainment or corporate hospitality is not excessive and lavish, and must commensurate with the official designation of the public official and not his personal capacity.

### **4.0 CSR, SPONSORSHIP AND DONATION**

As a responsible corporate citizen, MICROLINK GROUP is committed to contributing to the wellbeing of the people and the nation. It is however important that all Corporate Social Responsibility (CSR), sponsorships and donations are made in accordance with MICROLINK GROUP policies and receive prior authorization by MICROLINK GROUP Management or the Board.

#### **4.1 Corporate Social Responsibility**

As part of our commitment to incorporate social responsibility and sustainable development, as a general matter, MICROLINK GROUP provides such assistance in appropriate circumstances and in an appropriate manner. However, such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.

The proposed recipient must be a legitimate organisation and appropriate due diligence must be conducted in particular to ascertain whether any public officials are affiliated with the organisation.

- Any red flags must be resolved before committing any funds to the programme. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients.

## **4.2 Sponsorship and Donation**

Employees must ensure that all sponsorships and donations are not used as a subterfuge for Bribery or used to circumvent or avoid any of the provisions of the ABC, including in particular, the prohibition on Bribery.

MICROLINK GROUP needs to be certain that donations to foreign-based charities or beneficiaries are not disguised illegal payments to government officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.

In accordance with MICROLINK GROUP's commitment to contribute to the community coupled with its values of integrity and transparency, all sponsorships and donations must comply with the following:

- allowed by applicable laws;
- obtained all the necessary internal and external authorisations;
- be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- be accurately stated in MICROLINK GROUP's accounting books and records; and
- not to be used as a means to cover up an undue payment or Bribery.

Examples of red flags to look out for are as follows:

- The proposed recipient/organisation has affiliations with a public official or their relatives are involved;
- The contribution is made on behalf of a public official;
- There is a risk of a perceived improper advantage for MICROLINK GROUP; and/or
- The proposed recipient is based in a high risk country, the request comes from a high risk country or the activity takes place in a high risk country.

MICROLINK GROUP requires Employees to use good judgment and common sense in assessing the requests. When in doubt, Employees should seek further advice from the Group CEO or Executive Director to determine the authenticity of such requests.

## **5.0 POLITICAL CONTRIBUTION**

5.1 MICROLINK GROUP does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office. MICROLINK GROUP may, in very limited circumstances, make political contributions in countries where such contributions are permitted under the law. The authority to approve such political contributions is with the Group CEO, the Executive Director or the respective Board of Directors. If any contribution is made, it must be permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return and must be accurately reflected in MICROLINK GROUP's books and records.

- 5.2 Good faith payments to a government entity such as payments to the host country's federal treasury required by contract or law, are not prohibited, so long as they are made with due care to the government entity and not to any individual official.
- 5.3 Employees are prohibited from acting on the below without first obtaining approval from the Group CEO, the Executive Director or the respective Board of Directors:
- using their position with MICROLINK GROUP to try to influence any other person (whether or not employed by MICROLINK GROUP) to make political contributions or to support politicians or their parties;
  - making any contribution or incurring any expenditure using MICROLINK GROUP resources to benefit any political campaign, party or politician; or
  - using MICROLINK GROUP facilities, equipment and resources for any political campaign or party functions.

Furthermore, charitable donations may not be used as a subterfuge for prohibited political payments. Notwithstanding the foregoing, it is MICROLINK GROUP's policy to engage and communicate its views and position on issues of public interest that have an important impact on MICROLINK GROUP.

## **6.0 FACILITATION PAYMENT**

- 6.1 Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.
- 6.2 MICROLINK GROUP prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the Employee or for any other person who is subject to the ABC. The reason underlying this prohibition is that facilitation payment is seen as a form of Bribery and Corruption.
- 6.3 All persons subject to the ABC must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment.

## **7.0 MONEY LAUNDERING**

- 7.1 MICROLINK GROUP strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.
- 7.2 Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislations are severe and can include extradition and incarceration in foreign jurisdictions.
- 7.3 To avoid violating anti-money laundering laws, Employees are expected to always conduct counterparty due diligence to understand the business and background of MICROLINK GROUP's prospective business counterparties and to determine the origin and destination of money, property and services. Counterparties include but are not limited to customers, contractors, suppliers, consultants, agents, JV partners and any other business partners.

- 7.4 A number of initiatives can be taken to strengthen anti-money laundering governance, they include the following:
- Adequate training and compliance programs should be conducted to ensure understanding and strict compliance to any internal anti-money laundering policies.
  - Employees frequently involved in decision making process concerning counterparties, particularly in matters on financial transactions, should be properly acquainted with the applicable laws and regulations related to money laundering.
  - Employees should be attentive to and report suspicious behaviour by customers, consultants and business partners using proper reporting channels, and in-house experts on anti-money laundering should always be consulted.
  - Convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries, or requests for upfront payment for expenses or other fees, should be avoided.
  - Periodic audits should be conducted and a process should be developed to follow all available accounting, record-keeping and financial reporting requirements applicable to cash and payments in connection with all transactions and contracts.

## **8.0 DEALING WITH THIRD PARTIES**

- 8.1 MICROLINK GROUP's dealings with Third Parties must be carried out in compliance with all relevant laws and consistent with the values and principles of the ABC. As part of this commitment, all forms of Bribery and Corruption are unacceptable and will not be tolerated.
- 8.2 MICROLINK GROUP expects that all Third Parties acting for or on its behalf to share MICROLINK GROUP's values and ethical standards as their actions can implicate MICROLINK GROUP legally and tarnish MICROLINK GROUP's reputation.
- 8.3 To help ensure that MICROLINK GROUP only does business with Third Parties that share MICROLINK GROUP's standards of integrity, the following action must be observed:
- Conduct due diligence to assess the integrity of MICROLINK GROUP's prospective business counterparties. Do not enter into any business dealings with any Third Party reasonably suspected of engaging in Bribery and improper business practices unless those suspicions are investigated and resolved.
  - All Third Parties are made aware of this ABC.
  - Continue to be aware of and to periodically monitor Third Parties' performance and business practices to ensure ongoing compliance.
  - All Third Parties must read and accept MICROLINK GROUP's Anti-Corruption Policy for Third Parties before engaging in any dealing with MICROLINK GROUP.
- 8.4 If at any point during the due diligence exercise or in the dealings with a Third Party, there are conflicts of interest or "red flags" are raised, these warrant further

investigation and must be sufficiently addressed before the engagement of the Third Party can progress. Examples of common “red flags” involving Third Parties include:

- The transaction involves a party known for a high incidence of Corrupt payments and/or practices.
- The Third Party has family, business or other “special” ties with government or public officials.
- A reference check reveals a flawed background or a reputation for getting “things done” regardless of the circumstances or suggests that for a certain amount of money, the problem can be fixed.
- The Third Party objects to anti-Bribery or Corruption representations and warranties in commercial agreements or has negative response when told of such requirements.
- The transaction involves convoluted payment arrangements such as payment in cash, payment to a third party or to accounts in other countries, or requests for upfront payment for expenses or other fees.
- The Third Party requires that their identity not be disclosed as part of the business transaction.
- The Third Party has inadequate credentials for the nature of the engagement, or lacks an office or an established place of business.

8.5 MICROLINK GROUP requires its Employees to use good judgment and common sense in assessing the integrity and ethical business practices of Third Parties and have provided the above as a guideline. Employees should seek advice from the Legal Department whenever particular questions arise relating to Third Parties that MICROLINK GROUP has appointed or is considering appointing.

## **9.0 DEALING WITH CONTRACTORS AND SUPPLIERS**

9.1 MICROLINK GROUP is committed to uphold the highest standard of ethics and integrity in all aspects of its procurement activities. MICROLINK GROUP avoids dealing with any contractors or suppliers known or reasonably suspected of Corrupt practices or known or reasonably suspected to pay Bribes.

9.2 MICROLINK GROUP will ensure that all procurement activities are in line with sound procurement policies and procedures, which include:

- Due diligence of contractors and suppliers are undertaken before entering into a transaction.
- Contractors and suppliers are made aware of and understand the ABC and that they will comply accordingly.
- All commercial contracts and ITBs incorporate provisions relating to ethical business conduct, conflict of interest and fighting Corruption and unethical practices.
- All commercial contracts with major contractors and suppliers incorporate a provision where MICROLINK GROUP retains the right to audit Third Party compliance with the ABC provisions.

9.3 MICROLINK GROUP will conduct due diligence on prospective contractors and suppliers to confirm whether or not these external parties have in place anti-Bribery and Corruption programmes and that they will not engage in any improper practices.

- 9.4 MICROLINK GROUP will also monitor significant contractors and suppliers as part of its regular review of the performance of Third Parties, and has the right to terminate their services in the event that these Third Parties pay Bribes, are involved in Corrupt practices or act in a manner which is inconsistent with the ABC.
- 9.5 If any red flags are raised, these issues must be resolved to the reasonable satisfaction of MICROLINK GROUP. If it is not possible then the individual or company must be barred from being on the list of MICROLINK GROUP's contractors/suppliers and/or disqualified.

## **10.0 RECRUITMENT OF EMPLOYEES**

- 10.1 MICROLINK GROUP provides equal opportunity for any qualified and competent individual to be employed by MICROLINK GROUP from various multicultural and multiracial background, sourced local and internationally.
- 10.2 The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of Corruption is involved in the hiring of employees.
- 10.3 Proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any Bribery or Corruption cases nationally or internationally. More detailed background checks should be taken when hiring employees that would be responsible in management positions, as they would be tasked with decision making obligations.

## **11.0 CONSEQUENCE OF INFRINGEMENT**

- 11.1 All ABC infringements and/or breaches must be reported in accordance with MICROLINK GROUP's Whistleblowing Policy.
- 11.2 The person(s) receiving the report will examine the incident or report lodged and will immediately report to the Group CEO and Executive Director (if appropriate), and if so necessary to the Board of Directors. For the purpose of the ABC, any suspicion of Bribery and/or Corruption should be reported immediately.
- 11.3 Any violation of the ABC, associated policies or applicable laws, whether intentionally or unintentionally, may be subject to disciplinary action.
- 11.4 Employees found to be in breach of the ABC will be subject to an appropriate disciplinary action, including but not limited to, written warning, demotion, withholding of salary increment of up to one (1) year, non-entitlement to commission pay-out or annual bonus, suspension or summary dismissal.
- 11.5 Trainees, interns, direct contractors, sub-contractors, agents, representatives and direct consultants found to be in breach of the ABC will be subject to an appropriate disciplinary action, including but not limited to, termination.
- 11.6 Where applicable, MICROLINK GROUP may also report any violation of the ABC to the relevant authorities, including but not limited to, the police and the Malaysian Anti-

Corruption Commission. Employees and directors are reminded that any violation of the relevant anti-Corruption laws, including but not limited to, the MACC Act 2009 (Amendment 2018), Penal Code and AMLA 2001 shall be punishable with imprisonment or fine or both under the respective Acts.

## **12.0 CORRUPTION RISK MANAGEMENT**

Corruption Risk Management is a management process that helps to identify structural weaknesses in an organisation that may facilitate Corruption, provides a framework for all Employees to take part in identifying risk factors and treatments, and embeds Corruption prevention within a well-established governance framework. MICROLINK GROUP requires the commitment of all its directors and Employees to build a sound risk culture based on integrity and honesty.

### **12.1 Corruption Risk Assessment**

MICROLINK GROUP Management will work closely with the respective HODs and BUHs to conduct Corruption risk assessment, as follows:

- Identify all potential risks related to Corruption and Bribery in each and every process, activity and system;
- Assess the magnitude of each type of Corruption risk which had been identified i.e. its likelihood and impact; and
- List down all existing controls in place, and determine if the existing controls are effective in mitigating the Corruption risks. If such controls are deemed to be insufficient, the respective HOD/BUH shall enhance existing controls or introduce new controls to better address the Corruption risks.

### **12.2 Corruption Risk Monitoring**

The respective HODs and BUHs are expected to monitor all Corruption risks and controls on a continuous basis. Upon detecting any new Corruption risk, a HOD/BUH must promptly report it to MICROLINK GROUP Management and correct any relevant deficiencies in the departmental controls and processes.

### **13.0 RECORD KEEPING**

- 13.1 All departments involved in dealing with Third Parties must maintain written records evidencing that due diligence has taken place, and that any red flags or risks identified have been carefully considered and sufficiently resolved.
- 13.2 All departments must retain their records and operational work documents for at least **seven (7) years** after the end of a matter, in order to enable MICROLINK GROUP to comply with local laws or any requests from the relevant authorities.