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**MICROLINK GROUP OF COMPANIES \**  
**ANTI-BRIBERY AND CORRUPTION POLICY**

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## **1.0 INTRODUCTION AND OBJECTIVES**

### **1.1 Application of the Anti-Bribery and Corruption Policy (“ABC Policy”)**

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

This ABC Policy is applicable to every Director, Employee and Staff of the MICROLINK Group who are expected to carry out their duties in a professional manner with utmost integrity while avoiding (i) any acts of Corruption and/or Conflict of Interest, or (ii) the likelihood or appearance of any acts of Corruption and/or Conflict of Interest. Joint-venture companies in which a MICROLINK Group company is a non-controlling co-venturer and associated companies are encouraged to adopt the ABC Policy 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 the MICROLINK Group 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 ABC Policy at all times. This does not remove the individual’s responsibility to inform himself/herself of the appropriate requirements.

If a local law conflicts with the ABC Policy, the law will prevail. However, if a local custom, norm or practice conflicts with the ABC Policy, the ABC Policy will prevail. In particular, the 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”).

### **1.2 Objectives**

The objective of this ABC Policy is to reiterate the MICROLINK Group’s commitment to comply with all laws relating to anti-Bribery and anti-Corruption in Malaysia.

This ABC Policy 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. It is intended to serve as a preventive tool to help the MICROLINK Group’s Directors, Employees and Staff understand, recognise, detect and avoid potential Corrupt practices.

### **1.3 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 Policy.

#### 1.4 Abbreviations, Acronyms and Definitions

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

CEO	Chief Executive Officer
HOD	Head of Department/Company (which shall include a CEO and Chief Operating Officer, or his/her equivalent)
BUH	Business Unit Head
HC	Human Capital

**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 the 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 the MICROLINK Group from its Directors, Employees, Staff and Third Parties acting for or on its behalf, in the performance of their duties and obligations.

**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.

**Directors** means the directors of companies under the MICROLINK Group including all independent and non-independent directors, executive and non-executive directors, as well as alternate or substitute directors.

**Employees** are any persons who are in the employment of the 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 any and all 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 festive hampers and goodie baskets
- Admission tickets to entertainment and/or sporting events
- Electrical consumer products
- IT, telecommunication products, gadgets and computer peripherals
- Souvenirs
- Tokens

**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 companies within the MICROLINK Group in general. The companies in which Microlink Solutions Berhad 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.

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

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

- Marketing premiums (stationeries, diary, notepad, key ring, calendar)
- 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, contractors, suppliers, consultants, agents, joint venture partners, external companies, intermediaries, introducers and any other stakeholders or business partners 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 (e.g. plaque)

## **1.5 Review and Changes to the ABC Policy**

The ABC Policy may be reviewed and amended from time to time in order to ensure that it is in line with the latest developments in the laws relating to Corruption as well as evolving industry standards. Any amendment to the ABC Policy shall be subject to the approval of the Board of Directors of Microlink Solutions Berhad.

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

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 Policy by the Directors, Employees and Staff under their respective supervision, or to implement any new processes and procedures under the ABC Policy.

The effectiveness and performance of the MICROLINK Group’s anti-Bribery and anti-Corruption framework may 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**

The MICROLINK Group has adopted a “No Gift Policy” whereby, subject only to certain narrow exceptions, the MICROLINK Group’s Employees and Directors, Family/Household members or agents acting for or on behalf of the MICROLINK Group Employees, Directors or their Family/Household members are prohibited from, directly or indirectly, receiving or providing gifts.

The MICROLINK Group requires its 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 the MICROLINK Group and external parties as a gift can be seen as a Bribe that may tarnish the MICROLINK Group’s reputation or be in violation of anti-Bribery and anti-Corruption laws.

It is the responsibility of Employees and Directors to inform external parties involved in any business dealings with the MICROLINK Group that the MICROLINK 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 on providing Gifts to the MICROLINK Group’s Directors, Employees and/or their Family/Household 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 the MICROLINK Group is allowed only in very limited circumstances, as set out in section 2.4 below and whereby refusing the Gift is likely to seriously offend and may sever the MICROLINK Group’s’ business relationship with the Third Party. However, in no circumstances can a Director, Employee or their Family/Household members accept gifts in the form of cash or cash equivalent, including but not limited to:

- (a) commission, loans, credit cards, lottery tickets, cash vouchers;
- (b) shares or equity interest in any registered company;
- (c) personal discounts or benefits not offered to the public; and/or
- (d) trade point cards of any retailer.

In the limited circumstances where an Employee is allowed to accept a Gift, 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, and seek advice when faced with a similar situation.

Even if it may appear disrespectful to refuse a Gift from a Third 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 the MICROLINK Group’s “No Gift Policy” and this ABC Policy. In the event the HOD/BUH approves the acceptance of the Gift, it must be treated as company property and it shall be determined whether the Gift should be treated/handled in any of the following manner:

- (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 **RM500**, 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 and Directors are not allowed to offer, promise or provide gifts to Third Parties unless it falls within the exceptions identified at section 2.4 below.

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.

### 2.4 Exceptions to the “No Gift Policy”

Although generally the 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 the MICROLINK Group to Employees and Directors and/or their Family/Household 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 the MICROLINK Group);
- (d) Souvenirs or Tokens of nominal or insubstantial value (defined as less than **RM100**) bearing the MICROLINK Group’s or the donor’s company logo, which are given out 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) Festive hampers or other perishable items (e.g. fruits, flowers, cakes, etc.) of market value of **RM500** or less in total for the package which are given and received during festivals or special occasions not on a personal basis, to be shared and distributed to all employees of the recipient company. In the event any Employee or Director receives festive hampers or perishable items which are believed to be **RM500** above in market value for the total package, he/she may only accept the gift on the following conditions:
  - (i) the non-acceptance of the gift would offend the Third Party and/or potentially sever the business relationship;
  - (ii) the gift is shared and distributed to all Employees; and
  - (iii) he/she must immediately politely inform the Third Party to refrain from giving such gifts in the future as so to be in line with this ABC Policy;
- (f) Gifts from the MICROLINK Group to external parties who have no business dealings with the MICROLINK Group (e.g. monetary gifts or gifts in-kind to charitable organisations).



Gifts should be given as openly and transparently. If an Employee or Director is unable or has reservations to do so, then the Gift is not to be given.

Any Gifts given must be properly recorded in the books and records of the MICROLINK Group.

Even in the above exceptional circumstances where Gifts may be given, Employees and Directors are still 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 judgment;
- Avoid Conflicts of Interest or the perception of it;
- Refrain from taking advantage of official position or exercising authority to further personal interest or for any Gratification (whether for himself/herself or his/her Family/Household member) at the expense of the MICROLINK Group, and
- Comply with applicable laws, regulations and the MICROLINK Group's policies and procedures.

## **2.5 Providing Entertainment**

The 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 anti-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 Policy.

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 the MICROLINK Group (never on a stand-alone basis), must be reasonable and proportionate and does not generate a sense of obligation towards the MICROLINK Group.

## **2.6 Receiving Entertainment**

The 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 Employees and Directors to exercise proper care and judgment before accepting entertainment offered or provided by a Third Party. This is not only to safeguard the MICROLINK Group's reputation, but also to protect Employees and Directors from allegations of impropriety or undue influence.

Under no circumstances, however, may Employees, Directors or any of their Family/Household members accept entertainment in exchange for an exercise or non-exercise of the MICROLINK Group's authority or otherwise to the detriment of the MICROLINK Group.

## **2.7 Corporate Hospitality**

Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. Corporate hospitality usually comprises of meals, travel or transportation, accommodation and recreation. There is, however, 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 that may 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.

Even the appearance of any of the above situations is sufficient reason for an Employee or Director to reject the receipt of and/or not provide the corporate hospitality.

Employees and Directors are strictly prohibited from either paying for or participating in any corporate hospitality activities that are lavish or immoral which may bring disrepute or controversy to the MICROLINK Group, such as gambling, karaoke, massages, unregulated violent sports, illicit drugs and intoxication by alcohol.

Transparency International has advocated that 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 be commensurate with the recipient's official capacity and not be provided to him/her 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.

**2.8** Employees and Directors are expected to exercise proper care and judgment when faced with any situation involving gifts, entertainment and corporate hospitality. If there exists any doubt on whether it is acceptable to provide or accept any gifts, entertainment

and/or corporate hospitality, Employees and Directors should consult the HC Department for advice.

### **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 and Directors 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 first having obtained:

- (a) if he/she is an Employee, the express written permission from of an Executive Director in consultation with the HC Department and/or Legal Department;
- (b) if he/she is a Director, the express written permission of Microlink Solutions Berhad's Board of Directors.

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

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

As a responsible corporate citizen, the 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 the MICROLINK Group's policies and receive prior authorisation by, depending on the threshold set out in the MICROLINK Group's policies, Microlink Solutions Berhad's Management or the Board, as the case may be.

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

As part of the MICROLINK Group's commitment to incorporate social responsibility and sustainable development, as a general matter, the 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 and authentic 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 Policy, including in particular, the prohibition on Bribery.

The 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 the 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 the proper administration of the funds;
- be accurately stated in the 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 Family/Household members are involved;
- The contribution is made on behalf of a public official;
- There is a risk of a perceived improper advantage for the 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.

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

## **5.0 POLITICAL CONTRIBUTION**

- 5.1 The MICROLINK Group does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office. The MICROLINK Group may, in very limited circumstances, make political contributions in countries where such contributions are expressly permitted under the law. The authority to approve such political contributions is with Microlink Solutions Berhad's 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 the 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 and Directors are prohibited from acting on the below without first obtaining approval from the Group CEO, the Executive Director or Microlink Solutions Berhad's Board of Directors:
- using their position in the MICROLINK Group to try to influence any other person (whether or not employed by the MICROLINK Group) to make political contributions or to support politicians or their parties;

- making any contribution or incurring any expenditure using the MICROLINK Group's resources to benefit any political campaign, party or politician; or
- using the MICROLINK Group's 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 the MICROLINK Group's policy to engage and communicate its views and position on issues of public interest that have an important impact on the 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 a person performing a routine or administrative duty or function in his/her duties.
- 6.2 The MICROLINK Group prohibits accepting or obtaining, either directly or indirectly, Facilitation Payments from any person for the benefit of the Employee or Director or for any other person who is subject to the ABC Policy. 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 Policy 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 The 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 due diligence on the relevant Third Party it intends to enter into a business relationship with to understand the business and background of the Third Party and to determine the origin and destination of the Third Party's money, property and services.
- 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 Third Parties, 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 Third Parties 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 The MICROLINK Group's dealings with Third Parties must be carried out in compliance with all relevant laws and be consistent with the values and principles of the ABC Policy. As part of this commitment, all forms of Bribery and Corruption are unacceptable and will not be tolerated. The MICROLINK Group avoids dealing with any Third Party known or reasonably suspected of Corrupt practices or known or reasonably suspected to pay Bribes.
- 8.2 The MICROLINK Group expects that all Third Parties acting for or on its behalf to share the MICROLINK Group's values and ethical standards as their actions can implicate the MICROLINK Group legally and tarnish the MICROLINK Group's reputation.
- 8.3 To help ensure that the MICROLINK Group only does business with Third Parties that share the MICROLINK Group's standards of integrity, the following actions must be observed:
- (a) Conduct due diligence to assess the integrity of the prospective Third Party which the MICROLINK Group wishes to enter into a business relationship with. The due diligence process must be conducted comprehensively with the purpose of obtaining detailed and accurate information in order to assess any actual or potential Corruption risks. Matters that may be considered during the due diligence process include:
- The legitimacy, goodwill and corporate governance of the Third Party, including whether the Third Party has in place anti-Bribery and anti-Corruption policies and/or programmes.
  - Whether the Third Party has a history or reputation for engaging in Corrupt activities.

Upon completion of the due diligence process, all findings and results must be documented and retained. The MICROLINK Group must not enter into any business dealings with a Third Party reasonably suspected of engaging in Corruption and improper business practices until those suspicions are investigated and resolved.

- (b) All Third Parties are made aware of this ABC Policy.
- (c) Continue to be aware of and to periodically monitor the Third Parties' performance and business practices to ensure ongoing compliance. The MICROLINK Group has the right to terminate a Third Party's services in the event that the Third Party is discovered or suspected to have paid Bribes, are or is suspected to be involved in Corrupt practices or act in a manner which is inconsistent with the ABC Policy.

- (d) All Third Parties must read and accept the MICROLINK Group's Anti-Corruption Policy for Third Parties before engaging in any dealing with the MICROLINK Group.
- (e) All commercial contracts and, where applicable, invitations to bid incorporate provisions relating to ethical business conduct, Conflict of Interest and anti-Bribery and anti-Corruption practices.
- (f) All commercial contracts between the MICROLINK Group and Third Parties incorporate a provision that parties shall comply with applicable anti-Bribery and anti-Corruption laws.

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 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 anti-Corruption representations and warranties in commercial agreements or has a 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 If any red flags are raised, these issues must be resolved to the reasonable satisfaction of the MICROLINK Group. If it is not possible then the MICROLINK Group has to bar/disqualify that Third Party from any future engagements with the MICROLINK Group.

8.6 The 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 the MICROLINK Group has appointed or is considering appointing.

## **9.0 CONFLICT OF INTEREST**

9.1 It is mandatory for all Employees to declare in writing any Conflicts of Interest, actual, potential or perceived, as soon as they are aware of it. If an Employee is in doubt whether a deal, activity or event may give rise to a Conflict of Interest, the Employee shall immediately report that deal, activity or event to his/her immediate supervisor to seek

guidance. The immediate supervisor shall discuss the matter with the top management and take appropriate actions to ensure that any risk of Conflict of Interest is eliminated and record any actions taken.

- 9.2 The HC Department shall make a record of disclosed Conflicts of Interest for future references.

## **10.0 RECRUITMENT OF EMPLOYEES**

- 10.1 The MICROLINK Group provides equal opportunity for any qualified and competent individual to be employed by the 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 Policy infringements and/or breaches must be reported in accordance with the 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 necessary to the Board of Directors. For the purpose of the ABC Policy, any suspicion of Corruption should be reported immediately.
- 11.3 Any violation of the ABC Policy, 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 Policy 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 Policy will be subject to an appropriate disciplinary action, including but not limited to, termination.
- 11.6 Where applicable, the MICROLINK Group may also report any violation of the anti-Bribery and anti-Corruption laws 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-Bribery and 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 statutes.

## **12.0 CORRUPTION RISK MANAGEMENT**

- 12.1 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. The MICROLINK Group requires the commitment of all its Directors and Employees to build a sound risk culture based on integrity and honesty.

## 12.2 Corruption Risk Assessment

The 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 has 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.

## 12.3 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 the 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 the MICROLINK Group to comply with local laws or any requests from the relevant authorities.