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# Code of Business Conduct & Ethics

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# **THE LINACO CODE OF BUSINESS CONDUCT & ETHICS**

## **1. Introduction**

Our employees are guided and must comply by this Code of Business Conduct & Ethics (CBCE) in conducting our business. Our success in meeting our mission depends largely on our people. The CBCE is driven by our values and the highest standards of business ethics. The LINACO name and reputation are ultimately defined by our daily decisions and actions.

## **2. Laws and Regulations**

### **Respect for the Law**

LINACO GROUP prides itself as a responsible global corporate citizen that always operates within the legal framework and the laws of the countries in which the businesses operate. Such compliance shall include all rules and regulations which are currently in force.

### 3. The LINACO Brand and Our Brand Values

The LINACO brand

All employees should endeavour to uphold the LINACO brand, which in essence, is our identity and image. The LINACO brand should be reflected in the way employees conduct themselves at work and permeates at every point of interaction that employees have with each other and the public.

All employees should bring the LINACO brand to life through their behavior, visual expression, tone and manner.

In managing our businesses, all employees shall be driven by our values:

#### 5 elements of the cycle of life

- **Discipline**
- **Diligence**
- **Dedication**
- **Determination**
- **Discernment**

#### **4. LINACO Above Self**

As stakeholders, all employees shall believe in our vision and mission and shall always place the business interests of LINACO as their number one priority. In adopting this stance, all employees shall be focused in what we do and what needs to be done in order to achieve our business objectives whilst observing the highest standards of professionalism and business ethics.

##### **CORPORATE HEARTBEAT**

*HE WHO BUILDS WILL HIMSELF BE BUILT.*

##### **CORPORATE VISION**

*WE WANT TO BUILD A SUSTAINABLE FUTURE FOR THE GENERATIONS TO COME.*

##### **CORPORATE MISSION**

LEAD BY EXAMPLE (5D's)

IDEAS CREATION

NURTURE GROWTH

AUTHENTIC, AGILE, ACCOUNTABLE

CELEBRATE EVERY MOMENT

ORGANIZATION UNITY

## **5. The Conduct of Our Employees**

Work rules and regulations shall be administered in a fair and consistent manner. All employees shall observe and comply with all policies, procedures and guidelines and expected working norms which have evolved from time to time. In performing our duties, our employees shall act within the boundaries of their job responsibilities. In cases of doubt, such matters must be referred to the management and escalated to the higher level. The employees shall protect LINACO's interest at all times and shall maintain the image of the Company.

### **5.1. False or Misleading Declaration**

Before the commencement of employment, an employee shall make a declaration that all information given by him/her is true. The Company accepts the declaration in good faith. Should, in any event, it is found that part or parts of the declaration is/are false and has an impact on the employee's continued employment, the Company has the right to review his/her employment status. In such cases, action will be taken on employees who make the false or misleading declaration.

### **5.2. Proprietary and Confidential Information**

The Company values and protects all its proprietary and confidential information.

In the performance of duties, employees may obtain information not generally available or known to the public or the market. Such information must not be communicated or disclosed in any manner to competitors, customers, persons engaged in any aspect of the securities industry, members of trade associations or other third parties unless such communication or disclosure is authorized by the Company.

5.2.1. Any unlawful or unauthorized disclosure of proprietary or confidential information may result in irreparable loss and/or damage to the Company. In such cases, the Company may institute civil and criminal proceedings against the offending party.

5.2.2. Proprietary or confidential information is to be disclosed to other Employees on a need-to-know basis. All employees have the obligation to continue to preserve the proprietary and confidential information even after the appointment/employment has ceased, unless disclosure is required by any order of any court of competent jurisdiction or any competent judicial, governmental or regulatory authority.

### **5.3. Financial Integrity**

The Company is committed to ensure the integrity of financial information for the benefit of all stakeholders. All employees must ensure that all business records and documents are prepared accurately and in a timely manner.

Falsification of financial or any other records or misrepresentation of information may constitute fraud and can result in civil and criminal liabilities for Directors, Employees and the Group. Employees are obliged to report false entries or omissions and to highlight questionable or improper accounting being practiced in the Company.

### **5.4. Acts of Misconduct**

All employees will always observe proper conduct. An act of misconduct is defined as an action, behavior, or conduct of an employee which is inconsistent, improper, intentionally wrongful and deliberately in violation with the established rules and standards of behavior. Acts of misconduct shall be dealt with appropriately.

Punishments of misconduct will include, but are not limited to, warning letters, withholding of annual salary increments, suspension of employment (with or without pay), reduction or non- payment of bonus, downgrading of employee grade and termination of employment.

## **5.5. Political Activities**

The Company is politically neutral and believes strongly in the democratic process. Any unauthorized political activity by any employee may result in legal implications, liability and/or reputational risk for the Company. As such, the following policies have been adopted:

- 5.5.1. An employee engaging in political activities will do so in the said employee's personal capacity as an individual and private citizen and not as a representative of the Company, and this should be made a matter of public record.
- 5.5.2. An employee shall ensure that his/her activities do not interfere with the efficient and due discharge of his/her duties to the Company. The employee shall also ensure that the Company is not perceived as supporting the said employee's activities. If such activities encroach into the actual work and working hours that should be devoted to the Company, prior written approval from the Company must be obtained.
- 5.5.3. Any contribution of funds by the employee towards supporting political issues, candidates and/or activities shall be made in the said employee's individual capacity and will not be reimbursed by the Company.
- 5.5.4. All political contributions and activities by employees must comply with applicable laws.
- 5.5.5. An employee shall not make any public statements on behalf of the Company on any matter involving politics and political activities. Employees who represent the Company in political and governmental matters must comply with all laws and Company policies regulating corporate participation in public affairs.



## **5.6. Public Statement**

The Company's appointed spokesperson is the Group Managing Director (GMD) and Group Executive Director (GED) or any other delegated and authorized spokesperson/s. Other than the Company's appointed spokesperson/s, employees shall not issue any statement to the public at large.

## **5.7. Dress Code**

All employees shall be appropriately dressed in a manner which depicts our professionalism in conducting business affairs. Employees are guided by the dress code of their respective locations.

## **5.8. Financial Standing**

All employees should maintain a standard of living which commensurate with their income. All employees shall not indulge in activities which will compromise their financial status. This could inevitably lead to living lifestyles which cannot be sustained over a period of time and may lead to pecuniary embarrassment including being heavily in debt or even leading to bankruptcy.

All employees may not use their positions of influence to force customers, suppliers, vendors or contractors to lend money to them or to provide financial assistance which may then affect the employee's independence of judgment in business transactions with the lender/provider.

## **5.9. Proper Conduct**

All employees shall always conduct themselves professionally in business relations with customers, vendors, suppliers, contractors and stakeholders. Proper conduct is necessary to maintain the image and name of LINACO and its brands.

All employees shall refrain from any act of immorality as this will contradict with our values and our professionalism.

#### **5.10. Fraud and Similar Irregularities**

The Company strictly prohibits fraud and will take stern action on employees found to have committed acts of fraud. Stern action may include dismissal.

Fraud will include but are not limited to:

- Bribery and corruption
- Acts of dishonesty;
- Fraudulent acts;
- Forgery of company documents and negotiable instruments;
- Misappropriation of funds;
- Misuse of Company assets.

#### **5.11. Bribery, Corruption & Unethical Practice**

The Company will not tolerate bribery and corruption, and is committed to behaving professionally, fairly and with integrity in all business dealings and relationships wherever the Company operates. All deeds defined as “corrupt act” under the relevant laws of each jurisdiction where the Company operates will be adopted by the Company in defining the “corrupt act”.

An employee shall not in any manner or form offer on behalf of the Company or receive an offer of graft or a bribe for his/her own benefit, or the benefit of his/her relatives or spouse.

#### **5.12. Drugs**

Dependency on illegal drugs and other illegal substances is an act of crime. Appropriate action shall be taken on employees, agents, vendors and contractors who are found to be drugs dependent – possibly leading to termination of services (for employees) and termination of contracts/agreements for non- employees.

### **5.13. Intellectual Property**

- 5.13.1. All intellectual property (IP) developed by employees during their tenure of service shall be deemed to be IP belonging to the company. Such IP shall remain with the Company at all times.
  
- 5.13.2. Third party intellectual property refers to proprietary business or technical information of value protected by patent, trademark, copyright, or trade secret laws. Employees must observe and respect such property and shall not expose the Company to prosecution for Intellectual Property violations.

### **5.14. Conflict of Interest**

- i. The policy of the Company requires that its employees avoid any conflict between their own interest and the interest of the Company.
  
- ii. A conflict of interest will arise where an employee's ability to perform his or her Company duties may be adversely affected by an outside appointment, relationship or activity.
  
- iii. The Company's code insists that an employee shall act in the best interests of the Company whilst carrying out his/her responsibilities and naturally the Company expects nothing less than total commitment from the employee. However, it is not the intention of the Company to completely bar employees from participating in any outside activity. The Company will endeavor to ensure minimum limitation of freedom of action of its employees as long as it does not interfere with the employee's role in the company.
  
- iv. Employees should not take improper advantage of their position as employees of the Company or of any information obtained in the course of their employment. Employees will also appreciate and acknowledge that, by being unduly involved in some outside activity, their contribution to the Company's efforts will diminish.

- v. Employees are required to act at all times in a manner consistent with their being full-time employees of the Company. They should avoid situations which give rise to conflicts of interest. On occasions, however, the question of whether or not a conflict of interest exists may be unclear and consequently open to interpretation. On any such occasion, the employee concerned should consult his/her HOD and/or the Corporate Governance Department (CGD).
- vi. Whilst it is not practical to enumerate all situations which may give rise to a violation of the Company's policy of conflict of interest, the following should be avoided.

5.14.1. Other Business Appointments/Employment

All LINACO employees are required to focus on their main responsibilities and should not offer themselves or accept positions or responsibilities at other companies or business organizations.

Employees who are offered such other business appointments or other responsibilities must make a written declaration to the GMD or GED and obtain expressed written approval from the GMD or GED.

5.14.2. External Non-Executive Directorships

An employee or a dependent member of his/her family may not accept external non-executive directorships or become silent partners in entities or organizations which are known to be LINACO's authorized contractors/vendors or which have or are seeking to have contractual arrangements with the Company.

5.14.3. Family Interest

Employees whose relatives\* have interests (whether in the form of directorships, partnerships, shareholdings, or through agencies) in entities which are LINACO's list of authorized contractors/vendors or which have contractual or supply arrangements with LINACO, and who are involved in any decisions regarding dealings (whether directly or indirectly) with such entities in

the course of their duties from LINACO, should inform the GMD or GED, in writing, of such interests and obtain expressed written approval from the GMD or GED prior to entering into any such decisions or dealings.

*\* relatives means a parent, a child (including a stepchild and a child adopted in accordance with any law), a brother, a sister, an uncle, an aunt, a nephew, a niece, a cousin, an ancestor or lineal descendant*

#### 5.14.4. Contractual Dealings

An employee or any related member of his family may purchase, sell or lease any kind of property, equipment or materials from or to the company or enter into contractual arrangements. In such cases, the employee must make a written declaration to the GMD or GED and obtain expressed written approval from the GMD or GED.

### 5.15. Anti-Competitive Practices

- 5.15.1. Employees shall not engage themselves in anti-competitive practices, which may constitute offences under the Competition Act 2010.
- 5.15.2. Employees are prohibited to disclose, share, or enter into any form of agreement with any competitor's company, on any form of Company's information, whether it is requested formally or informally.
- 5.15.3. Employees shall not issue any commitment without authorization by the Company in any trade discussions.
- 5.15.4. Employees are prohibited at all times from discussing the Company's proposals should they be involved in tender exercises.

## **5.16. Use of Information Technology (IT)**

- 5.16.1. All employees who are given access to or have access to Company IT facilities must strictly follow the IT guidelines.
- 5.16.2. Company provided IT facilities are to be used for company approved business only. Employees should refrain from using company IT facilities for their personal benefit such as the sending or forwarding of personal greeting cards, pictures, political messages or viewing pornographic content or engaging in personal social media networking.
- 5.16.3. All employees are required to comply with the Copyright Act/Cyber Laws Act/Personal Data Protection Act concerning the use and application of computer software at all times. Download of illegal and/or unlicensed software or apps is strictly prohibited.

## **5.17. Working Environment**

- 5.17.1. It is the Company's policy to provide a healthy working environment that fosters mutual respect among employees and a harassment-free working relationship.
- 5.17.2. The Company strictly prohibits any form of harassment, which includes but are not limited to unwelcome verbal or physical sexual advances, sexually, racially or otherwise derogatory or discriminatory materials, statements or remarks during the performance of official duties where the inappropriate conduct has the purpose or effect of:
  - creating an intimidating, hostile or offensive working environment;
  - unreasonably interfering with an employee's work performance; or

- affecting an employee's employment opportunity.

Any employee who believes that he/she has been subjected to harassment and any employee who observes or becomes aware of any harassment should immediately report the incident to his/her HOD or to the HRD/CGD. All such reports will be treated as confidential.

## **5.18. Sexual Harassment**

5.18.1. In accordance with the Code of Practice "On the Prevention and Eradication of Sexual Harassment in the Workplace" issued by the Ministry of Human Resource, sexual harassment means:

Any unwanted conduct of a sexual nature, which is unwanted, unwelcome, unsolicited and imposed on, having the effect of verbal, non-verbal, visual, psychological or physical harassment:

- i. that might, on reasonable grounds, be perceived by the recipient as placing a condition of a sexual nature on his/her employment;
- ii. that might, on reasonable grounds, be perceived by the recipient as an offence or humiliation, or a threat to his/her well-being, but has no direct link to his/her employment.

5.18.2. Based on the above definition, sexual harassment can be categorized as:

- i. Sexual coercion that results in some direct consequence to the victim's employment. Failure to accede to the coercion may result in withholding of pay increase, bonus, promotion and other benefits.
- ii. Sexual annoyance is sexually-related conduct

that is offensive, hostile or intimidating to the recipient, but has no direct link to any job benefit. A sexual harassment by an employee against a co-employee falls into this category.

- 5.18.3. Within this context, sexual harassment in the workplace includes any employment-related sexual harassment occurring outside the workplace and outside official working hours as a result of employment responsibilities or employment relationships.

#### **5.19. Violation**

- i. Non-compliance with the CBCE is a misconduct, which will result in an investigation/inquiry to establish the facts and if substantiated may lead to disciplinary action being taken.
- ii. Punishments of misconduct will include, but are not limited to, warning letters, withholding of annual salary increments, suspension of employment (with or without pay), reduction or non-payment of bonus, downgrading of employee grade and termination of employment.
- iii. In the case of suspected corruption or other forms of criminal activity or breach of law or regulations, the Company has the right to report the case/breach to the appropriate authorities.
- iv. An employee who has any knowledge of any questionable or possible breach of the CBCE or possible illegal action affecting the Company is expected to promptly report such actions to his/her HOD or to the CGD immediately. Additionally, full disclosure and co-operation of the employee with the parties involved in the investigation is essential. Any concealment regardless of any reasons will be considered a violation of the CBCE.



## **6. General Requirement for all employees**

All employees are required to read and understand the LINACO Code of Business Conduct & Ethics. All employees are required to submit individual “Disclosure of Conflict of Interest” on an annual basis. New employees are required to declare upon joining the Group and, subsequently, on an annual basis.