



Anti-Bribery & Corruption Policy

The LINACO Group requires its employees, directors and business associates to strictly abide by this policy to reflect LINACO's zero tolerance on bribery and corruption. LINACO is committed to combating bribery and corruption in all our dealings and to uphold integrity, ensuring ethical business conduct and professionalism wherever LINACO operates.

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1. Introduction

The LINACO Group has a zero-tolerance approach to bribery and corruption. LINACO is committed to combating bribery and corruption in all our dealings and is resolved in upholding integrity, ensuring ethical business conduct and professionalism wherever LINACO operates.

Any employee or director or business associate who is engaged in any corrupt practice shall be subjected to disciplinary action in accordance with LINACO's policies, procedures, directives and guidelines or terms of contract and agreements.

2. Objective

The objective of this Policy is to set out the responsibilities of LINACO in observing and upholding LINACO's position on bribery and corruption, as well as to provide information and guidance to those working for LINACO on how to recognize and deal with bribery and corruption issues that may arise in the course of business.

3. Scope

This Policy is applicable to ALL employees and directors of the LINACO Group. Joint-venture companies in which LINACO is a non-controlling co-venturer and associated companies are encouraged to adopt these or similar principles. LINACO also expects that all its business associates performing work or services with, for or on behalf of LINACO shall comply with the relevant parts of the Policy when performing such work or services.

4. Definitions

In this Policy, unless the context otherwise requires, the following terms shall have the meanings respectively assigned to them:

- 4.1 "bribery" means the act of SOLICITING, GIVING, OFFERING, ACCEPTING OR RECEIVING GRATIFICATION, directly or indirectly, to/from a person in authority either in the form of money, services or valuable goods as an inducement or reward to do or not to do an act in relation to the person's principal affairs.

- 4.2 “corruption” includes:
- (a) any action which would be considered as an offence of giving or receiving gratification under the MACC Act;
 - (b) any acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering; and
 - (c) all deeds or behaviours that are defined as “corrupt act” under the relevant laws of each jurisdiction where LINACO operates;
- 4.3 “business associates” refers to external parties with whom LINACO has or plans to establish some form of business relationship. This includes, and is not limited to, business partners, joint venture partners, clients, customers, contractors, sub-contractors, suppliers, vendors, advisors, consultants, agents, distributors, wholesalers, representatives, intermediaries, and others performing work or services with, for or on behalf of LINACO;
- 4.4 “directors” means the directors of the companies under the LINACO Group, and includes all independent and non-independent directors, executive and non- executive directors, as well as alternate or substitute directors;
- 4.5 “employee” means any individual who is in the employment of LINACO, whether on permanent or temporary employment basis or on secondment;
- 4.6 “MACC Act” refers to the Malaysian Anti-Corruption Commission Act 2009 and shall include all subsequent revisions and amendments thereto;
- 4.7 “Policy” refers to this Anti-Bribery and Corruption Policy;
- 4.8 “LINACO Group” means Linaco Resources Sdn. Bhd. and its subsidiaries and controlled companies. The expression "LINACO" is used for convenience where references are made to LINACO Group companies in general.

5. Our Principle

- 5.1 LINACO conducts all business in an honest and ethical manner. LINACO takes a zero-tolerance approach to bribery and corruption and is committed to act professionally, fairly and uphold integrity in all relationships and business dealings wherever LINACO operates. LINACO implements and enforces effective control systems to counter bribery and corruption.
- 5.2 LINACO is committed to adhere strictly to the relevant laws in relation to bribery and corruption including but not limited to the MACC Act, the Penal Code (Act 574) and the Anti-Money Laundering and Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

6. Bribery & Corruption

All forms of bribery and corruption are strictly prohibited. LINACO will not tolerate any act of bribery or corruption. The participation or engagement of an employee or a director, whether directly or indirectly, in any act of bribery or corruption could result in disciplinary action being taken and, ultimately, dismissal.

This Policy also applies to business dealings with business associates. Where any business associate is found to be, or suspected by LINACO to be, involved in any act of bribery or corruption, LINACO shall reassess its relationship with such business associate and take all such actions it deems necessary to uphold its commitment against bribery and corruption, which may include the suspension or termination of any further dealings with such business associate.

Acts of corruption under the MACC Act are punishable by imprisonment for a term of up to twenty (20) years and a fine of RM10,000.00 or not less than five (5) times the value of the gratification whichever is higher.

Based on the MACC Act, if an individual associated with a commercial organization commits an act of corruption with the intent to obtain or retain business or a business advantage for the said commercial organization, the commercial organization and its directors and key management personnel may be held **LIABLE** for not preventing the corrupt acts from happening. Upon conviction, the penalty for the offence shall be a fine of not less than ten (10) times the value sum of gratification involved, or RM1.0 million, whichever is higher, or an imprisonment term of up to twenty (20) years, or both.

Below are some forms of bribery and corruption:

6.1 **Gratification,**

This refers to the act to please or to satisfy. Gratification may come in the form of money, donation, gift, loan, fee, reward, valuable security, property or interest in property of any description whether movable or immovable, finance benefit, or any other similar advantage as stated in the MACC Act.

6.2 **Facilitation Payments**

A facilitation payment is an unofficial payment in cash or in-kind made to Government Officials or any other entity intended to 'facilitate', secure or expedite the performance of a routine action (e.g. customs clearance, processing visas, scheduling inspections, etc.).

6.3 **Conflict of Interest**

This refers to a form of conflict between employee's or director's own interest and the interest of the employer. A conflict of interest will arise where an employee's or director's ability to perform his or her duties may be adversely affected by an outside appointment, relationship or activity whereby the employee or director can use his/her position/power for the benefit of himself/herself or for his/her relative or associate. It is the duty of the employee or director to report any actual, potential or perceived Conflict of Interest (COI) to the Head of Department and Head of Human Relationship.

6.4 **Kickback**

A kickback is a form of negotiated bribery in which a remuneration is paid to the bribe-taker in exchange for unauthorized or omission of actions. Generally, the remuneration (money, in kind, promise, goods, or services handed over) is negotiated ahead of time.

6.5 **Forgery of Document and False Claim**

Any person or agent who intends to deceive or mislead the principal with the submitted documents that contain statement, which is fictitious, false or erroneous or defective in any material form commits an offence under the MACC Act.

6.6 **Abuse of Power**

This refers to an act whereby any employee or director uses his position or the office in making decision or acting for the benefit of himself, his relative or associate.

7. **Gifts, Entertainment and Hospitality**

7.1 LINACO acknowledges that in many cultures the giving or receiving of incidental gifts or entertainment is important to maintain and develop business relationships. However, the giving and receiving of all such gifts and entertainment must be exercised with good judgement, be for genuine purposes without the intention of creating any improper advantage, given in the ordinary course of business and comply with LINACO Gifts, Entertainment, Hospitality Procedure.

7.2 Hospitality may be offered and accepted as part of business networking as well as a measure of goodwill towards the recipients. All acts of hospitality must:

- 7.2.1 be made in good faith and exercised with good judgement;
- 7.2.2 not influence/implicate business decisions or trigger any prohibitions under law; and
- 7.2.3 be in line with LINACO Gift, Entertainment, Hospitality Procedure, Code of Business Conduct and Ethics and all other policies of LINACO.

7.3 Each department/division/operating company/strategic business unit shall ensure that all employees and directors are aware and adhere to the LINACO Gifts, Entertainment, Hospitality Procedure.

8. Political Contributions

- 8.1 Generally, LINACO does not make or offer contributions whether monetary or in-kind to any political party, political party officials or candidates for public offices. However, LINACO may make contributions which are permissible under applicable law, subject to the approval of the LINACO Board of Directors.
- 8.2 LINACO does not prohibit an employee or director from participating in political activity outside of office hours. Employee or director is free to contribute to any political party solely on their own goodwill and such contribution shall not be reimbursed by LINACO.

9. Facilitation Payment and Kickbacks

- 9.1 It is prohibited to offer, promise, make, request and accept facilitation payments or kickbacks of any kind.
- 9.2 Employees are expected to notify their immediate superior when encountered with any requests for a facilitation payment or kickbacks.
- 9.3 Each department/division/operating company/strategic business unit shall ensure that:
 - (a) all payments to be made to third parties must be made in good faith and comply with all applicable laws and regulations;
 - (b) payments to government officials or authorities must be made against official rates published by the government, for which the payment is made into a government account and for which a receipt is given; and
 - (c) a report is to be escalated to the Head of Corporate Governance or Anti-Bribery Committee if the employee is requested or collaborated to pay any facilitation payment or kickback.
- 9.4 Extortion payment is payment that is forcibly extracted or unwillingly made in the belief that life, health and safety may be in imminent danger is not a facilitation payment. However, such incident must be reported immediately to the Head of Corporate Governance or Anti-Bribery Committee.

10. Prevention and Mitigation of Bribery and Corruption Risk

- 10.1 Each department/division/operating company/strategic business unit shall ensure that:
 - 10.1.1 any potential bribery and corruption risk in their operation is being identified and assessed;
 - 10.1.2 adequate procedures/controls to prevent and mitigate the bribery and corruption risk are in place; and

- 10.1.3 employees that may be exposed to bribery and corruption in their work environment must be identified and periodically rotated as well as attend regular anti bribery and corruption training.

11. Disclosure of Conflict of Interest (COI)

- 11.1 All employees and directors shall disclose any of their interest arising from their internal or external appointments, relationships or activity. COI can arise when employees have interest that makes it difficult to perform their specific role objectively.
- 11.2 Each department/division/operating company/strategic business unit shall ensure that:
 - 11.2.1 employees are aware of the need to declare any actual, perceived or potential interest in the COI form to Human Relationship department;
 - 11.2.2 Head of Departments are required to record actions taken to mitigate the conflict reported by their employees;
 - 11.2.3 any actual, perceived or potential interest that cannot be resolved in that manner is to be escalated to the Head of Human Relationship and/or Head of Corporate Governance;
 - 11.2.4 the LINACO's Code of Business Conduct and Ethics and Conflict of Interest Policy are strictly adhered to.

12. Record keeping

- 12.1 LINACO shall keep financial records and have adequate internal controls in place which will evidence the business reasons for making payments to third parties.
- 12.2 All employees and directors are to ensure all expenses claims relating to hospitality, gifts or entertainment incurred to third parties are submitted in accordance to the Gift, Entertainment, Hospitality Procedure.
- 12.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers, contractors, agents and business partners, should be prepared and maintained with accuracy and completeness.
- 12.4 All financial records must be retained and must not be destroyed as required by prevailing laws.

13. Reporting Corrupt Practices

13.1 Any employee or director or business associate who knows of, or suspects, a violation of this Policy is required to whistle blow or report the concerns through the mechanism set out under LINACO's Whistle Blowing Procedure available on the LINACO's HRMS system.

13.2 All bribery and corruption cases, including suspected attempts to commit bribery or corruption, must be reported via the Whistle Blowing channel. The Whistle Blowing channel is specified as follows:

1. Tina Vachiram (Ms)
(Director – Corporate Governance)
Mobile no.: 012-2116101
Telephone: 03-3344 3933 Ext:201
E-mail: tina@linaco.com.my
2. CS Low (Mr)
(Head of Corporate Governance)
Mobile no.: 012-2058002
Telephone: 03-3344 3933 Ext:207
E-mail: lowcs@linaco.com.my

13.3 No individual will be discriminated against or suffer any sort of manner of retaliation for raising genuine concerns or reporting in good faith any violations or suspected violations of this Policy. All reports will be treated in strict confidentiality.

13.4 LINACO will report to the relevant authority such as the Malaysian Anti-Corruption Commission (MACC) or Police if there is reasonable belief that such act of bribery and corruption has been committed.

14. Responsibility and Violation

14.1 Every Employee, Director and any Third Party acting on behalf of LINACO GROUP are responsible for understanding the Policy. All queries regarding this Policy's interpretation and when and how the rules can apply in any given situation should be directed to the Head of Corporate Governance.

14.2 Management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy and are given adequate and regular training on it.

14.3 Any violation of this Policy may result in disciplinary action, including but not limited to termination of employment.