



LKL INTERNATIONAL BERHAD

Anti-Bribery and Corruption Policy

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1. Introduction

The Board of Directors (the “**Board**”) of LKL International Berhad (“**LKL International**” or the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) has established and adopted this Anti –Bribery and Corruption Policy (“**Policy**”). The Group is committed to conducting the business ethically, as well as complying with all applicable laws, which include compliance with the Malaysian Anti-Corruption Commission (“**MACC**”) Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

This Policy demonstrates the Company’s commitment to upholding the highest level of ethics and integrity in the course of daily business and operation activities.

2. Objective

The objective of this Policy is to:

- 2.1. Reinforce corporate governance, integrity, transparency and accountability in the daily operational processes and procedures.
- 2.2. Ensure all employees take reasonable prevention measures to ensure their daily activities do not involve in any corrupt activities.
- 2.3. Provide guidance on how to recognise and deal with bribery and corruption issues.
- 2.4. Avoid penalties from the relevant authorities due to non-compliance with any acts related to integrity and anti-corruption.
- 2.5. Ensure that reporting on anti-corruption measures is effectively communicated to the Group’s stakeholders.

3. Scope and Application

This Policy applies to all individuals working for LKL International and all companies within the Group at all levels and grades.

This includes employees, managers, senior managers and all individuals working at all levels and grades (collectively the “**Employees**”) and the Board (whether full time, part-time, contract or temporary) and any third parties associated with us.

In this Policy, the associated third parties shall refer to any individual or organisation that an association may come into contact during the course of his/her engagement with the Group, which may include but not limited to suppliers, contractors, agents, consultants, outsourced personnel, distributors and advisors (hereinafter together defined as “**Associated Third Parties**”).

4. Definitions

For the purpose of this Policy, the terms listed below represent its respective definitions:

4.1. “**Bribery**” & “**Corruption**”: any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission (MACC) Act 2009. In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person who is in a position of trust within an organisation. The benefit can pass directly to the person bribed, or indirectly to a third party such as a friend, relative, associate, favourite charity, private business, political party or election campaign.

4.2. “**Gratification**”:

- a) money, donation, gift, loan, property, financial benefit or other similar advantages;
- b) any office, dignity, employment, contract or services;
- c) any payment, release or discharge of any loan, obligation or other liability;
- d) any discount, commission, rebate, bonus or percentage;

- e) any forbearance to demand any money or money's worth or valuable things;
- f) any favour of any description, including protection from any penalty or proceedings of a disciplinary or criminal nature or forbearance from the exercise of any right, power or duty; and
- g) any offer or promise of any gratification within the meaning of any of the preceding items.

4.3. **“Facilitation Payments”**: payment made to secure or smooth the process of a routine action by the Board, the Employees, and the Associated Third Parties.

4.4. **“Gifts”**:

- a) any form of monetary or non-monetary such as goods, services;
- b) form of cash or cash equivalents, including gift certificates, loans, commissions, coupons, discounts or any other related forms;

given to or received by the Board, the Employees, and the Associated Third Parties, his or her spouses or any other person on his or her behalf, without any or insufficient consideration known to the Board, the Employees, and the Associated Third Parties.

5. Principles

- 5.1 We take a zero-tolerance approach to corruption and bribery.
- 5.2 We commit to promote values of integrity, transparency, accountability and good corporate governance.
- 5.3 We conduct all of our business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all our relationships and business dealings in accordance with our Code of Ethics and Conduct Policy, and to implement and enforce an effective system to counter bribery.
- 5.4 We are complying with laws, policies and procedures relevant to countering corruption and bribery. We remain bound by the laws of Malaysia, including the

Malaysian Anti-Corruption Commission (MACC) Act 2009 and the Malaysian Anti Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time in respect of our conduct both locally and abroad.

5.5 To address these risks, we have taken the following steps:

- a) Implement this Policy;
- b) Carry out a regular risk assessment for bribery that extends to all operations under the Group's effective control;
- c) Take steps to implement training programmes for all individuals operating in areas of the organisation that are identified as high risk; and
- d) Perform a review to ensure that the Group is compliant with anti-corruption legislation in Malaysia and abroad.

6. Guidance on Common Forms of Bribery and Corruption

6.1. Political Donations and Contributions

6.1.1. We do not make charitable donations or contributions to political parties. Whilst our Employees and the Associated Third Parties acting in their personal capacity as citizens are not restricted to make any personal political donations, LKL International and the Group will not make any reimbursement for these personal political contributions back to its Employees or the Associated Third Parties.

6.2. Charitable Contributions, Sponsorships and Donations

6.2.1 Charitable Contributions, sponsorships or donations made by the Group to community projects or charities need to be made in good faith and in compliance with the Company's Code of Ethics and Conduct Policy, this policy and all relevant Company's policies and procedures.

- 6.2.2 Any charitable contributions, sponsorships or donations made on behalf of the Company and/or the Group must be approved in accordance with the Company's Limits of Authority ("LOA")

6.3. **Facilitation Payments**

- 6.3.1. We adopt a strict policy of disallowing the use of Facilitation Payments. All associates must avoid any activity that might lead to Facilitation Payments being made or accepted.

6.4. **Gifts, Hospitality and Entertainment**

- 6.4.1. Gifts, hospitality and entertainment may be offered to or received but only where it is appropriate to do so.
- 6.4.2. Gifts, hospitality and entertainment such as exchange of business courtesies may be offered to or received from Employees and Associated Third Parties, but only where it is appropriate to do so in the circumstances that do not influence business decisions.
- 6.4.3. We are prohibiting offering or receiving gifts and hospitality to influence business decisions.
- 6.4.4. Any charitable gift or hospitality made on behalf of the Company and/or the Group must be approved in accordance with Company's LOA.

7. **Responsibilities**

- 7.1. The Board has oversight of this Policy and the Group's Managing Director is responsible for ensuring compliance with this Policy. Every employee is required to be familiar with and comply with this Policy.
- 7.2. We have a zero-tolerance approach to corruption and bribery. Any violation of this Policy will be regarded as a serious matter and will result in disciplinary action, including dismissal and termination in accordance with local law.
- 7.3. An employee will be accountable individually whether he or she pays bribes himself or herself or whether he or she authorises, assists or conspires with

someone else to violate this Policy and/or an anti-corruption or anti-bribery. Punishment for violating the law are against him/her as an individual and may include imprisonment, probation, mandated community service and monetary fines and others which will not be paid by the Company.

8. Record Keeping

- 8.1. We will ensure that all financial transactions are properly kept and have appropriate internal controls in place which will evidence, substantiate and justify that business reason for making payments to, and receiving payments from, third parties.
- 8.2. We will ensure that there are no “off-the-books” accounts, inadequately defined transactions or false entries. All financial transactions are recorded accurately.

9. Reporting of Policy Violations

Any individual and employee with any suspicious, concerns or beliefs regarding a breach of the MACC laws as may be imposed by the relevant authorities and/or the Company’s internal policies, should raise up, notify and shall make a report to the Company via the channel outlined in our Whistleblowing Policy.

10. Protection

- 10.1. The Company will give the best possible protection to the whistleblowers in accordance with the Whistleblower Protection Act 2010.
- 10.2. We will provide protection to the whistleblowers who may receive demotions, pay cuts or a replacement employee.

11. Training and Awareness

- 11.1. The Company will on a regular basis provide specific and regular skill-building training and education as well as the overall development of ethics and integrity for all new and existing Employees.

- 11.2. The Group's Anti-Bribery and Corruption Policy and a zero-tolerance approach to corruption and bribery must be clearly communicated to all Associated Third Parties at the outset of business relations, and as appropriate thereafter.

12. Monitoring and Review

This Policy will be reviewed at least once every three (3) years to ensure its effectiveness and consistency with the governing legislation and regulatory requirements, or more frequently should there be material changes to the said legislation and regulations or circumstance of the business, if any.

13. Board Approval

This Policy was approved and adopted by the Board of Directors of the Company on 28 May 2020.