



ALCOM GROUP BERHAD

Registration No. 201701047083 (1261259-V)

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1 June 2020

Dear Sirs

ALCOM GROUP BERHAD INTEGRITY & ANTI-CORRUPTION POLICY

As some of you may well be aware, there is a new dawn in Malaysia in the fight against corruption. Effective 1 June 2020, the new Section 17A of the Malaysian Anti – Corruption Commission Act addressed to introduce corporate liability for corruption which imposes personal liability on Directors, Controllers and Management.

In line with this Act, we have put in place the required Policy and Procedures to combat any wrongdoing pertaining to bribery and corruption. We would like to engage all our partners (vendor, customer, supplier and contractor) in business to undertake this commitment together. Kindly find the attached declaration form which requires all our business partner's commitment. We hope to receive your signed declaration form before 22 June 2020.

Kindly find the attached Alcom Group Berhad Integrity & Anti-Corruption Policy for your information. This policy together with our Whistle Blowing policy is available at our website – <https://alcom.com.my/>. If you need further information, please do not hesitate to contact us.

Thank you.

Yours faithfully

ALCOM GROUP BERHAD

A handwritten signature in black ink, appearing to read "Heon Chee Shyong".

HEON CHEE SHYONG

President/CEO

Encs



ALCOM Integrity & Anti Corruption Policy

'Suppliers, Vendors, Customers & Contractors obligations'



ALCOM GROUP BERHAD

INTEGRITY & ANTI-CORRUPTION POLICY

1 Objective

To provide information and guidance to those working for the ALCOM GROUP BERHAD (“AGB” or “the Company”) and its subsidiaries (“the Group”) how to recognize and report incidences of corruption and bribery that has happened or maybe happening with any employee or agents of the Company.

2 Scope

This standard operating procedure applies to all employees (including full-time, contract, part-time, temporary staff or interns) and any other person providing services to the Company, including consultants, vendors, independent contractors, external agencies and/or any other party with a business relationship with Company (“agents”).

3 Responsibilities of Key Personnel

3.1 Board of Directors

Agree and sets out the Anti-Corruption Policy.

3.2 Corporate Level

- To implement the policy by setting out the Anti-Corruption Standard Operating Procedures.
- To approve relevant anti-corruption training for employees.
- To evaluate the effectiveness of the procedures adopted from time to time and advise the Board of Directors of any changes that may be required of the policy.

3.3 Management

- To communicate the policy and standard operating procedure to all employees.
- To communicate the policy to all agents of the Company.
- To recognize the types of bribery and corruption that may occur within the business of the Company.
- To ensure an adequate system of internal control exist and operate effectively to minimize the opportunity for employees and agents to receive or offer a bribe or any form of inducement for personal benefit or the benefit of the Company.
- To ensure new employees and agents are given approved briefing on Anti-Corruption Policy and SOP.

3.4 Employees

- To act ethically and with integrity at all times especially when he or she is representing the Company.
- To report any incidences of bribery and corruption to the person in charge as soon as the employee is aware of it.
- To not offer or accept any form of bribery either voluntarily or when asked to do so.

4 Forms of Corruption

4.1 Bribery

Bribery is an inducement or reward offered, requested, promised or provided in order to gain any commercial, contractual, regulatory, business or personal advantage. Hence, the employee shall not:

- give or offer any payment, gift, hospitality or other benefits in the expectation that a business advantage will be received in return, or to reward any business received.
- accept any offer from a third party that he/she know or suspect is made with the expectation that the Company will provide a business advantage for him/her or anyone else.
- give or offer any payment to a government official in any country to facilitate or speed up a routine or necessary procedure.
- threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about possible bribery or corruption.

Bribes can take many forms, for example:

- money (or cash equivalent such as shares)
- unreasonable gifts, entertainment or hospitality
- kickbacks
- unwarranted rebates or excessive commissions (e.g. to sales agents or marketing agents)
- unwarranted allowances or expenses
- “facilitation” payments
- political or charitable contributions
- uncompensated use of company services or facilities; or
- anything else of value.

4.2 Gifts and Hospitality

Giving or receiving gifts or hospitality is often an important part of maintaining and developing business relationships. However, all gifts and hospitality should be for a genuine purpose, reasonable and given in the ordinary course of business.

Lavish, unreasonable gifts or hospitality, whether given or received are unacceptable as they can create the impression that the Company is trying to obtain or receive favorable business treatment by providing individuals with personal benefits.

Gifts must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift. Gifts must not include cash or cash equivalent or be given in secret.

4.3 Facilitation Payments or Kickbacks

The Company and its service provider should not make, and should not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are unofficial payments, no matter how small, made to public official in order to secure, expedite actions or increase the speed at which they do their job. All employees and service providers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback is made or accepted by the Company.

4.4 Charitable Contribution and Sponsorship

The Company will have to ensure that donations to charities and other recipients are not disguised as illegal payments to public officials in violation of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACCA 2018") or other applicable anti-bribery and corruption laws. The following guidelines should be followed before making a donation to a charitable entity or a donation under its social development programs.

- The donation should generate publicity or goodwill for the Company and/or demonstrate the Company's commitment to the community.
- The donation must not be related to, dependent on, or made in order to win or influence a business deal or decision.
- The donation must be given directly to the relevant charity or organization and not to an individual.

4.5 Record Keeping

The Company's books and records must accurately and properly reflect the nature and purpose of any payments made or received, and the nature of any transactions entered into. The Company should:

- keep financial records and have appropriate internal controls in place which will evidence the business reason for any payments made to Third Parties.
- ensure that all expense claims relating to hospitality, gifts, or expenses incurred are submitted and specifically record the reason for the expenditure.
- prepared and maintained with strict accuracy and completeness for all accounts, invoices, and other similar documents and records related to dealings with Third Parties.

5 Raising Concern

All employees are encouraged to raise genuine concerns about possible improprieties in the conduct of the Company business, whether in matters of financial reporting or other operational or non-operational irregularities or malpractices, at the earliest opportunity in an appropriate way. If any employee believes reasonably and in good faith that bribery and corruption activities exist in the workplace, then he/she should report this immediately to his/her line manager or to the most senior person in the factory or department.

However, if for any reason he/she is reluctant to do so, then he/she should report his/her concern in writing by email or speak in confidence to either of the following individuals:

Procedures;

Below are the reporting channel based on the categories;

Audit & Risk Management Committee Chairman

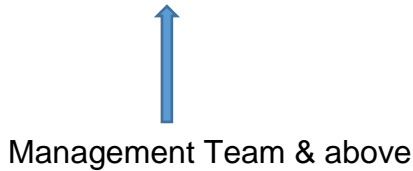
Ms. Lam Voon Kean

lamvoonkean@alcom.com.my

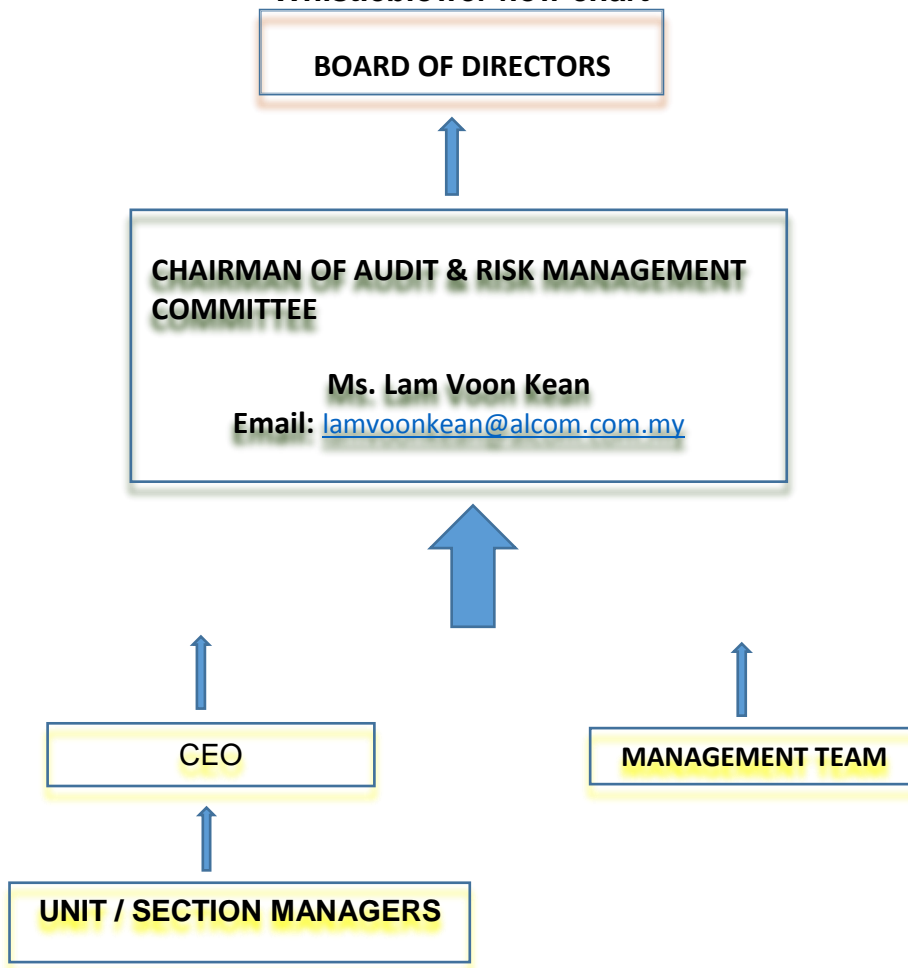
President

Mr. Heon Chee Shyong

chee-shyong.heon@alcom.com.my



Whistleblower flow chart



6 Investigation

The Company will investigate any reports made internally or via verbally. All reports will be handled confidentially. The investigation will document all relevant facts, including persons involved, times and dates.

Employees who raised concerns will be contacted if any further assistance is required and will be informed of who is handling the matter. Employees' identities will not be disclosed without prior consent. Where concerns cannot be resolved without revealing

the identity of the employee raising the concern, the Company will enter the dialogue with the employee concerned as to whether and how it can proceed.

Recommended actions will be taken in light of the outcome of the investigation, including disciplinary steps where appropriate, action to correct any behavior in breach of this policy or other unfavorable treatment connected with raising a concern.

7 Training

Training on this Anti-Corruption policy and standard operating procedure forms part of the induction process for all new employees, officers and directors. All employees, officers and directors shall receive relevant training on how to implement and adhere to this policy.

Agents or representatives of the Company who are consultants, independent contractors, external agencies or any other party with a business relationship with the Company will be informed of the Anti-Corruption Policy. They will be required to sign a copy of the policy as an acknowledgement that they understand and will adhere to it. All agents or representatives will be informed whenever significant changes are made to this policy.

8 Monitoring and Review

The Company monitors the effectiveness and reviews the implementation of this policy at appropriate intervals, considering its suitability, adequacy and effectiveness. Any improvements identified are made as soon as possible. Internal control systems and procedures are also subject to regular review to provide assurance that they are effective in countering any risks of corruption.

9 Punishment

Under the MACCA 2018, the penalties could be in the form of a fine of not less than ten (10) times the sum or value of the gratification (if capable of being valued) or RM1 million, whichever is higher, or imprisonment for a term not exceeding 20 years or both.

10 Commercial Organization

A commercial organization that is covered by section 17A is widely defined as;

- (a) A Company incorporated under the Companies Act 2016 and carries on a business in Malaysia and elsewhere.
- (b) A Company wherever incorporated and carries on a business or part of a business in Malaysia
- (c) A partnership under the Partnership Act 1961 or a limited liability partnership under the Limited Liability Partnerships Act 2012 and carries on a business in Malaysia or elsewhere; or
- (d) A partnership wherever formed and carries on a business or part of a businesses in Malaysia.

As regards local entities, it appears that they could be liable for failing to prevent bribery which occurred outside of Malaysia, even if the acts were committed by its overseas agents.

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ALCOM GROUP BERHAD ANTI-CORRUPTION STATEMENT

We adopt a policy of zero-tolerance on corrupt practices and unethical conduct in its operations and businesses. We will not be compromised and will be taking stern action to eradicate all activities that lead to bribery and corruption.

We uphold strict reputations on the basis of integrity, an ethical behavior, transparency and professional culture that based on the Core Value practices by all employees within its group of companies.

We pledge to combat the unethical conduct of corruptions through;

1. Promoting the value of integrity, transparency and governance
2. Compliance with laws and regulations
3. Impose stern punishment against any practices of corruption
4. Supporting various agencies in initiating the implementation and combating the corruption



We are further maintaining the high standard of integrity by observing and adhering to the following:

1. Conduct businesses and operations in a fair, honest and transparent manner
2. Not offering any payments designed to influence or compromise the conduct of the recipients
3. Not offering any form of bribery, directly or indirectly
4. Not accepting any form of bribery, directly or indirectly



We are committed to create an environment that enable and encourage employees, vendors, suppliers, agents to raise their concerns. Any act of corruption and/or detrimental into the work ethics should be handled seriously in accordance to the Company Code of Conducts but not limited to raise concerns to the Company's Whistleblower channel.

HEON CHEE SHYONG

President/CEO