



TECK GUAN PERDANA BERHAD

Registration No. 199401021418 (307097-A)
Incorporated in Malaysia

ANTI-BRIBERY & CORRUPTION POLICY

Revised 25th March 2021

ANTI-BRIBERY & CORRUPTION POLICY

1. POLICY STATEMENT & OBJECTIVES

Teck Guan Perdana Berhad and its subsidiaries (“the Group”) are committed to conducting its business with high ethical standards, accountability, and integrity. The Group has adopted a zero-tolerance approach against all forms of bribery and corruption by the Board of Directors, Management, and its employees or any person or company acting for the Group or on its behalf. The Board of Directors and Management at all levels of the Group strive to demonstrate well, through their deliverables, actions, and behaviour, the importance of integrity and ethical values in support of the commitment.

In recognition of this commitment, the Company’s Board of Directors has adopted the Anti-Bribery and Corruption Policy (“Policy”) to prevent, deter, and monitor bribery and corruption in the Group’s business activities and to ensure:

- The Board of Directors, Management and its employees are guided on how to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business;
- The suppliers, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group are informed on the Group’s position on bribery and corruption in all its forms and therefore comply with the relevant parts of the Policy when performing such works or services; and
- Zero-tolerance on bribery and corruption acts concerning the Group’s businesses and operations by the Board of Directors, Management, its employees, and other parties acting for or on behalf of the Group is communicated.

The Group provides avenues for the Board of Directors, Management, its employees, and members of the public to make reports on any improper conduct within the Group, which is governed by the Group’s Whistleblowing Policy.

2. SCOPE OF POLICY

This Policy applies to all the Group’s employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, licensee, nominee or any other person or persons associated with the Group (including third parties), and all the Group’s Directors.

In the context of this Policy, third-party refers to any individual or organization whom the Group meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, brokers, agents, negotiators, advisors, and government and public bodies – this includes their advisors, representatives and officials, politicians, and public parties.

Any arrangements our company makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with minimum standards and procedures relating to anti-bribery and corruption practices, regulations and/or policies.

3. DEFINITIONS

“Bribery & Corruption” means any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA). 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.

Bribery may be ‘outbound’, where someone acting on behalf of the Group attempts to influence the actions of someone external, such as a Government official or client decision-maker. It may also be ‘inbound’, where an external party is attempting to influence someone within the Group such as a senior decision-maker or someone with access to confidential information.

“Gratification” is defined in the MACCA to mean the following:

- a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property being a property of any description whether movable or immovable, financial benefit, or any other similar advantage;
- b) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
- c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- e) Any forbearance to demand any money or money’s worth or valuable thing;
- f) Any other service or favour of any description, 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; and
- g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs.

“Gifts and Hospitality” refer to gifts or meals, refreshments, travel, accommodations, entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venues such as offices, with or without the personal presence of the host, and other promotional expenditures the Group may receive from or provide to any person in connection with the Group’s business. Hospitality can include expenditures such as registrations for seminars or educational courses and green fees/competition fees.

“Government Official” includes:

- a) Any employee or member of a local, regional or national government body, department or ministry, whether in the executive, legislative, administrative or judicial branches of government;
- b) Any political party, party official or candidate for political office;
- c) Any employee or official of a public international organization such as the World Bank or one of its departments or agencies;
- d) Any employee or official of a state-owned or controlled company or instrumentality, even if operated as a privately-owned corporation;
- e) Anyone acting in an official capacity for or on behalf of the government (including a state-owned or controlled company);
- f) The members of a royal family, depending on factors such as their titles, responsibilities, legal standing, and influence; and, under certain circumstances
- g) The close relatives of a Government Official (such as a sibling, spouse, child, or other dependents).

4. ANTI-BRIBERY AND CORRUPTION POLICY

4.1 Gifts and Hospitality; Entertainment and Travel

The Group accepts normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) so long as the giving or receiving of gifts meets the following requirements:

- i. It is not made with the intention of influencing the party to whom it is being given, to obtain or reward the retention of a business or a business advantage, or as an explicit or implicit exchange for favours or benefits;
- ii. It is not made with the suggestion that a return favour is expected;
- iii. It is being carried out in compliance with the local law or local enactment;
- iv. It is given in the name of the company, not in an individual's name;
- v. It does not include cash or a cash equivalent (e.g. a coupon, voucher or gift certificate);
- vi. It is appropriate for the circumstances (e.g. giving small gifts around festive seasons like Chinese New Year, Kaamatan Festival, Christmas or Hari Raya Aidilfitri or as a small thank you to a company for helping with a large project upon completion);
- vii. It is of an appropriate type and value and given at an appropriate time, taking into accounts the reason behind for the gift to be given;
- viii. It is given/received openly, not secretly;
- ix. It is not selectively given to a key, influential person, clearly with the intention of directly influencing them;
- x. It is not above a certain excessive value, as pre-determined by the company's Board of Directors (usually more than RM500). (Thus, all gifts whether given to/received from third parties shall be disclosed and surrendered to Human Resource Department (“HRD”) for their further action); and
- xi. It is not offered to, or accepted from, a government official or representative or politician or political party, without the prior acknowledgement and approval of the Board of Directors.

Where it is inappropriate to decline the offer of a gift (i.e. when meeting with an individual of a certain religion/culture who may take offence), the gift may be accepted so long as it is declared to the HRD, who will assess the circumstances.

The Group recognises that the practice of giving and receiving business gifts varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable will inevitably differ for each.

As a good practice, gifts given and received should always be disclosed to the HRD. The intention behind a gift being given/received should always be considered. If there is any uncertainty, the advice of the HRD should be sought.

Meals, tickets, travel and entertainment include (but are not limited to): -

- i. Meals;
- ii. Tickets to sports, music, or cultural events where The Group's employees and representatives of the Third Party providing the tickets attend the event together;
- iii. Travel or lodging associated with attendance at a business conference, meeting or event;
- iv. To pay for overnight accommodations for a prospective customer; and
- v. A business partner requests reimbursement of travel expenses for himself and his family.

Employees may accept meals or entertainment provided by third parties only if offered for legitimate business purposes and that complies with the following guidelines: -

- i. Is infrequent;
- ii. Is not solicited;
- iii. Is not given as a bribe, payoff or kickback;
- iv. Does not create the appearance (or an implied obligation) that the provider is entitled to preferential treatment;
- v. Occurs at a business-appropriate venue;
- vi. It is not made with the suggestion that a return favour is expected; and
- vii. Is reasonable and appropriate in the context of the business occasion and the employee position at the Group.

It is important to note that the purpose of this Policy is to prevent conflicts of interest between the Group with a third party or customer or supplier as well as to avoid situations that may be perceived by others as a potential conflict. With this in mind, not only it can protect the Group's goodwill and reputation for conducting business with full integrity, but it also protects the employee's integrity. Though offering nice meals or entertainment events can be tempting or attractive, careful consideration should be given to each of the above factors. If you are unsure of the reasonableness or appropriateness of, or whether you can attend, a particular meal or entertainment event, you should consult with your superior and, if appropriate, the HRD.

4.2 Facilitation Payments and Kickbacks

The Group does not accept and will not make any form of facilitation payments of any nature. The Group recognises that facilitation payments are a form of bribery that involves expediting or facilitating the performance of a public official for a routine governmental action. The Group recognises that they tend to be made by low-level officials with the intention of securing or speeding up the performance of a certain duty or action.

The Group does not allow kickbacks to be made or accepted. The Group recognises that kickbacks are typically made in exchange for a business favour or advantage.

The Group recognises that, despite our strict policy on facilitation payments and kickbacks, employees may face a situation where avoiding a facilitation payment or kickback may put their/their family's personal security at risk. Under these circumstances, the following steps must be taken:

- i. Keep any amount to the minimum (not exceeding RM100.00);
- ii. Ask for a receipt, detailing the amount and reason for the payment;
- iii. Create a record concerning the payment; and
- iv. Report this incident to your superior or HRD.

4.3 Political Contributions

The Group will not make donations, whether in cash, kind, or by any other means, to support any political parties or candidates. The Group recognises this may be perceived as an attempt to gain an improper business advantage.

4.4 Charitable Contributions

The Group accepts (and indeed encourages) the act of donating to charities – whether through services, knowledge, time, or direct financial contributions (cash or otherwise) – and agrees to disclose all charitable contributions made.

Employees must be careful to ensure that charitable contributions are not used to facilitate and conceal acts of bribery. Each contribution must be supported by an official receipt as proof of donation.

The Group will ensure that all charitable donations made are legal and ethical under local laws and practices, and that donations are not offered/made without the acknowledgment and prior approval of the Board of Directors.

4.5 Conflict of Interest

Conflict of interest is defined as a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity and/or a situation in which an individual has competing interests or loyalties because of their duties to more than one person or organization. A person with a conflict of interest can't do justice to the actual or potentially conflicting interests of both parties.

A conflict of interest can exist in many different situations, involving personal loyalty and loyalty to a private employer, a government employer, or a professional relationship. The easiest way to explain the concept of conflict of interest is by using some examples:

- i. An employee or public official whose personal interest conflict with their expected loyalty to the organization;
- ii. A person who has a position of authority in one business that conflicts with his or her interests in another business or organization;
- iii. Misuse of an official position to get something which one is not entitled to or would not be properly available to other individuals in your situation;
- iv. Improperly disclosing or personally using confidential information gained through the job;
- v. Taking a second job that conflicts with duties with the primary job. Just taking a second job isn't necessarily a conflict of interest. But if an employee in the accounting department had a second job with an accounting firm that did work for the employer, that could be a conflict;
- vi. Giving favors to relatives and close friends, in matters of hiring, promotion, transfer, or awarding contract or business (nepotism); and
- vii. An action taken by a corporate fiduciary (someone who has a fiduciary duty) for that person's gain, rather than for the benefit of the company (self-dealing).

5. FINANCIAL CONTROLS

5.1 Purchasing, Payables and Payments (PPP)

This stream of transactions relates to all of the steps in the process of purchasing, including the authorization of purchases, the receipt of goods and services, and the recording of payables and payments. The following are key areas where having internal controls ensures oversight: -

- i. Authorization for purchases;
- ii. Receipt of incorrect Goods/Shipments;
- iii. Payment for goods not received; and
- iv. Errors in the amount paid.

5.2 Payroll

The payroll stream relates to all of the actions involving payroll processing and will naturally overlap with some of the HRD functions. The following are key activities where having internal controls ensures oversight: -

- i. Preparing and reviewing timesheets;
- ii. Correctly calculating employee's wages;
- iii. Monitoring changes in payroll; and
- iv. Monitoring for non-employees.

5.3 Sales, Receipts and Receivables

Similar to PPP, this stream deals with all of the transactions related to the sale of goods and services. The following are key areas where having internal controls ensures oversight: -

- i. Incorrect/unauthorized sales prices, discounts and credits;
- ii. Sales being incorrectly recorded or not recorded; and
- iii. Payments not received.

5.4 Petty Cash Accounts

Petty Cash is easily misappropriated if business processes and internal controls are not established and enforced. The following controls and concepts ensure that the petty cash accounts are appropriately used and safeguarded: -

- i. The use of petty cash for operating purposes is not allowed including the payment of invoices or miscellaneous amounts, to pay salaries or wages, or to make advances or loans to staff;
- ii. Only the established custodian is allowed to access the funds. If that individual is not available for an extended period, there is a temporary replacement petty cash custodian in place;
- iii. Receipts/documentation are required for all petty cash reimbursements;
- iv. Petty cash vouchers are required to be approved by the requesting employee's supervisor or another appropriate individual familiar with activity that resulted in the original expenditure;
- v. Petty cash fund is safeguarded through the use of lockable cash boxes and the boxes are secured in a locked cabinets drawer or safe when not in use by the custodian;
- vi. During the supervisory review and approval of the replenishment request, receipts are ensured to be included; and
- vii. Periodic surprise cash counts are performed by an administrative business officer or designee (other than the custodian).

6. NON-FINANCIAL CONTROLS

6.1 Segregation of Duties

Segregation of duties is a key internal control intended to minimize the occurrence of errors or fraud by ensuring that no employee has the ability to both perpetrate and conceal errors or fraud or conducting misused of powers in the normal course of their duties. Generally, the primary incompatible duties that are segregated are as follow: -

- i. Authorization or approval;
- ii. Custody of assets;
- iii. Recording transactions; and
- iv. Reconciliation/Control activity;

When duties cannot be sufficiently segregated due to the small size of a unit, mitigating controls, such as a detailed supervisory review of the activities, are in place to reduce risks.

6.2 Pre-Tendering Process

i. Pre-Qualification

The Group advocates the use of pre-qualification before inviting tenders where possible. This is so that suppliers which are unsuitable for the requirement in question can be eliminated from the tendering process and the tendering process can then be focused on the offer itself. Pre-qualification would include an evaluation of, for example, suppliers: -

- Financial standing;
- Quality procedures;
- Capacity and competence; and
- Track record.

It is recommended that prequalified suppliers are evaluated in this way periodically. Suppliers/Contractor who have successfully passed the pre-qualification stage are sometimes referred to as “Approved Suppliers” or “Approved Contractors”. This is different to the term ‘preferred suppliers’, that is to say those suppliers that have successfully won a tendering exercise and have been awarded a contract or a framework agreement for the supply of a specific range of goods or services for a given period.

ii. Tender Boards/Evaluation Panel

Tenders often arrive early and these should be stored in a safe place, unopened. When the response deadline is reached a group of at least three people, including at least one from Purchasing Department, one from Teck Guan Development Department or one from Agriculture Department or one from Internal Audit Personnel (whichever is suitable in accordance with the situation and the need), should meet to open the tenders and record their receipt.

This group is often referred to as a 'Tender Panel'. A special form can easily be produced to list those tenders received by the deadline and this should be signed by all on the panel.

Members of the panel should each sign the first page of each tender which should also be stamped with the date. It is good practice to stamp and sign every page in a tender containing price or financial information.

The tender panel, or a separate evaluation panel, then has the task of determining the winning supplier(s)/contractor(s)/services provider(s). During the time between tenders being opened and a final decision being made, all those involved must take care not to breach confidentiality. The Group believes that it is not good practice to advise any tenderer of the details of another tenderer's offer without prior agreement with all suppliers.

7. RISK MANAGEMENT AND ASSESSMENT

A corruption risk assessment should form the basis of an organisation's anti-corruption effort. As such, The Group shall conduct corruption risk assessments once every three years and when there is a change in law or circumstance of the business to identify, analyse, assess and prioritise the internal and external corruption risks of the organisation. This risk assessment should be used to establish appropriate processes, systems and controls approved by Board of Directors to mitigate the specific corruption risks the business is exposed to.

For this purpose, it is recommended that a comprehensive risk assessment is done annually, with intermittent assessments conducted as and when necessary. The assessment may include the following: -

- i. opportunities for corruption and fraud activities resulting from weaknesses in the organisation's governance framework and internal systems/procedures;
- ii. financial transactions that may disguise corrupt payments;
- iii. business activities in countries or sectors that pose a higher corruption risk;
- iv. non-compliance of external parties acting on behalf of The Group with regards to any legal and regulatory requirements related to anti-corruption; and
- v. relationships with third parties in its supply chain (e.g. agents, vendors, services providers, contractors, and suppliers) which are likely to expose The Group to corruption.

The risk assessment for corruption can be done on a stand-alone basis, but is recommended that the assessment be incorporated into the general risk register of The Group.

8. REVIEW AND MONITORING

The Group's Board of Directors is responsible for monitoring the effectiveness of this policy and will review the implementation of it on a regular basis by its Internal Audit Department. They will assess its suitability, adequacy, and effectiveness.

Internal control systems and procedures designed to prevent bribery and corruption are subject to regular assessment and audits to ensure that they are effective in practice.

Any need for improvements will be applied as soon as possible. Employees are encouraged to offer their feedback on this policy if they have any suggestions for how it may be improved. Feedback of this nature should be addressed to the Board of Directors.

This Policy does not form part of an employee's contract of employment and The Group may amend it at any time so to improve its effectiveness at combatting bribery and corruption.

9. TRAINING AND COMMUNICATION

The Group will provide training on this policy as part of the induction process for all new and existing employees. Employees will also receive regular, relevant training on how to adhere to this Policy, and will be obliged to strictly complying with this policy.

The Group's Anti-Bribery and Corruption Policy and zero-tolerance attitude will be reasonably and/or clearly communicated to all suppliers, contractors, service providers, business partners, and any third-parties at the outset of business relations, and as appropriate thereafter.

The Group will provide relevant Anti-Bribery and Corruption Policy training to employees where we feel their knowledge of how to comply with the Bribery Act needs to be enhanced. As good practice, all businesses should provide their employees with anti-bribery training where there is a potential risk of facing bribery or corruption during work activities.

10. EMPLOYEES' RESPONSIBILITIES

All the personnel of the Group (including its directors) are required to read, understand, and comply with the information contained within this Policy and with any training or other anti-bribery and corruption information obtained.

All the personnel of the Group (including its directors) are equally responsible for the prevention, detection, and reporting of bribery and other forms of corruption. All the personnel of the Group (including its directors) are required to avoid any activities that could lead to, or imply, a breach of this Policy.

All the employee of the Group is required to notify their immediate superior or HRD as soon as possible as per the Group's Whistleblowing procedure if a potential bribe is suspected has been offered by anyone, or if anyone asked to make one, or if in the near future potential bribe may be given or asked, or if they have reason to believe that they are a victim of another corrupt activity.

If any personnel of the Group breach this Policy, they will face disciplinary action and could face dismissal for gross misconduct. The Group has the right to immediately terminate a contractual relationship with an employee if they breach this Policy upon its implementation date stated in this Policy.

11. REVIEW

The Company reserves the right to amend this policy from time to time.