



ANTI-BRIBERY AND ANTI- CORRUPTION POLICY

TAN CHONG MOTOR HOLDINGS BERHAD AND ITS
GROUP OF COMPANIES



IT STARTS AND ENDS WITH YOU

Version	Effective Date
0	19 MAY 2020

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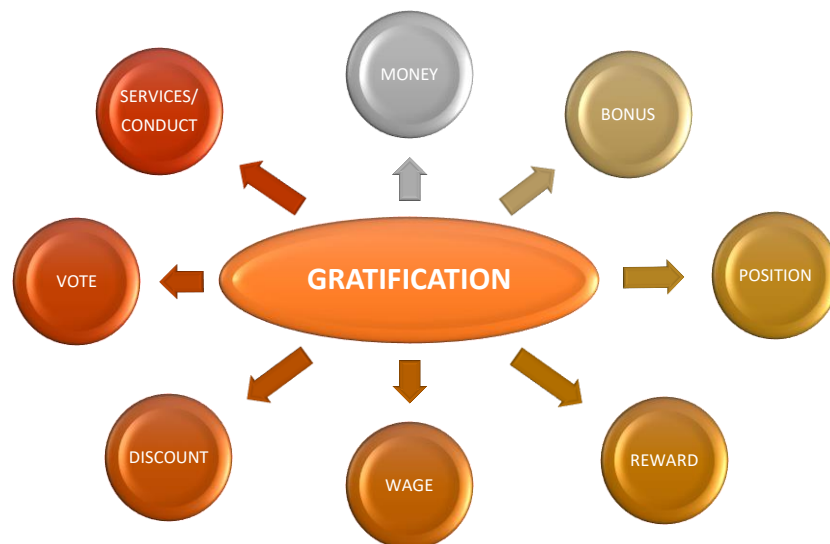
1. WHAT IS BRIBERY AND CORRUPTION? (P5)

1.1 ¹Corruption is seen by ²Transparency International as the abuse of entrusted power for private gain whereas ³bribery on the other hand is perceived as the act of offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action which is illegal, unethical or a breach of trust. Corruption and bribery come in many forms.

2. IS BRIBERY AND CORRUPTION UNLAWFUL IN MALAYSIA? (P5)

2.1 Yes. The law against corruption in Malaysia is presently captured in the ⁴MACC Act 2009.

2.2 In Malaysia, the act of corruptly soliciting, giving, accepting and receiving ⁵gratification or promising to do so whether directly or indirectly, to or from a person in authority as an inducement or reward to do or not to do an act in relation to the person's principal affairs is viewed as undertaking the act of corruption.



2.3 Unlike in other jurisdictions, the law against corruption in Malaysia extends not only to individuals but to corporations like TCMH Group and those associated with TCMH Group as well.

2.4 Punishment on conviction of the offence of bribery and corruption is severe. It includes the imposition of a substantial fine of not less than 10 times the sum or value of the gratification (which is the subject matter of the offence) or Ringgit Malaysia One Million, whichever is higher, and/or up to 20 years' imprisonment for TCMH Group and its officers.



3. TCMH GROUP'S STATEMENT ON CORRUPTION AND ITS RATIONALE (P5)

3.1 TCMH Group does not tolerate any form of corruption and bribery.

3.2 If we allow corruption to become rife, it will affect our entire organization. Public perception, trust, integrity and credibility of TCMH Group will be adversely affected.

4. FAQs ON THE MACC ACT 2009 (P5)

No.	Description of Question(s)	Particulars
1	What is gratification and are all gratification unlawful?	Gratification is defined in Section 3 of the MACC Act 2009 and includes money, donation, gift, loan, fee, reward, valuable security, property or interest in property, employment, appointment, release, forbearance, undertaking, promise, rebate, discount, services employment or contract of employment or services and agreement to give employment or render services in any capacity. The provision or receipt of gratification is not an offence unless it is done corruptly .
2	Will you be guilty of an offence if you merely attempted to give a bribe but was not successful?	Yes. Section 17A of the MACC Act 2009 covers promises, offers and agreement to be given by corporations and those associated with it whereas Sections 16, 17, 19, 20, 21 and 22 amongst others cover offers promises and attempts by individuals.
3	Will a corporation and its officers be guilty of an offence if its Subsidiary located in a foreign country commits an act that is deemed corrupt in Malaysia but not in that foreign country through such Subsidiary's agent?	Yes, unless the corporation has in place adequate procedures to prevent such act and such act occurred nevertheless without the consent or connivance of such officer after such officer had exercised due diligence (see: Section 17A of the MACC Act 2009).
4	Will a corporation and its officers be guilty of an offence if any act of corruption is found to be committed by its contractor, agent or representative?	Yes, unless the corporation has in place adequate procedures to prevent such act and such act occurred nevertheless without the consent or connivance of such officer after



such officer had exercised due diligence (see: Section 17A of the MACC Act 2009).

5 Can we allow a Connected Person(s) who is carrying out a particular transaction for us to indulge in a corrupt act, especially since everyone else is doing it?	No, even though the Connected Person(s) is an independent contractor, this Connected Person(s)'s action will cause us and our officers to be liable for an offence under the MACC Act 2009.
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¹ <https://www.transparency.org/what-is-corruption#define>

² <https://www.transparency.org/>

³ <https://www.transparency.org/glossary/term/bribery>

⁴ Sections 16-33 & Section 17A

⁵ Gratification includes cash, donation, sponsorship, contribution, gift, loan, fee, reward etc. For a complete definition, please refer to Section 3 of the MACC Act 2009

5. ABOUT THIS POLICY (P1)

5.1 Our business is built on concrete relationships of mutual respect and trust with our customers, joint venture partners, technical partners, suppliers and others. To maintain and build upon these relationships, we treat everyone with fairness, professionalism, honesty and integrity. Interpersonal interaction is a common feature in our business where the lines between bribery and corrupt practices and goodwill, customary and acceptable conduct can often be ambiguous.

5.2 This Policy is designed to address such ambiguity and provide a framework on how we will address and manage the giving and receipt of Gratification(s), Entertainment and Hospitality. Developed with legal, ethical, cultural and customary considerations in mind, the primary aim of this Policy are:

5.2.1 to promote and maintain good governance, integrity and accountability;
and

5.2.2 to govern our interaction with others.

5.3 This Policy is not a stand-alone document and forms part of TCMH Group's other codes, policies and regulations.

5.4 This Policy is based on the Principles of Adequate Procedures enunciated by the Malaysian Anti-Corruption Commission pursuant to subsection (5) of Section 17A of MACC Act 2009 which for the purposes herein are as follows:



Principles	Description	Particulars
Principle 1 (“P1”)	Top Level Commitment	This principle basically places the overall responsibility of practicing the highest level of integrity and ethics, complying with all applicable laws and regulations on corruption and effectively managing key corruption risks on TCMH Group’s top management;
Principle 2 (“P2”)	Risk Assessment	This principle encourages the incorporation of corruption risk assessment where systems, processes and controls are periodically assessed to identify and address corruption risk and weaknesses;
Principle 3 (“P3”)	Undertake Control Measures	This principle advocates the incorporation of appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of TCMH Group and ensures that they are put in place in order to address any corruption risks arising from weaknesses in TCMH Group’s governance framework, processes and procedures;
Principle 4 (“P4”)	Systematic Review Monitoring and Enforcement	This principle postulates regular audit to be carried out for the purposes of assessing the performance, efficiency and effectiveness of TCMH Group’s anti-corruption programme.
Principle 5 (“P5”)	Training and Communication	This principle entails the dissemination of this Policy, relevant codes, policies and regulations through training and other forms of communication.

6. DEFINITION AND ABBREVIATION

6.1 In addition to the words already defined herein and unless the context requires otherwise, the following words and expressions shall have the following meaning:

“Agent”	means any Person not being a Personnel acting for and on behalf of TCMH Group for any matter;
“Associate Companies”	means companies or organizations in which TCMH Group and/or its nominee(s) has no controlling interest, or has shares



	to the total value of less than thirty per centum (30%) of the total issued capital of the companies or organisations;
“Associated Person”	means Persons employed by or serving Associate Companies whose shareholders have unanimously or by majority agreed to exclusively adopt and comply with this Policy;
“BAC”	means TCMH’s Board Audit Committee;
“Board of Directors”	means the Board of Directors of TCMH;
“BRMSC”	means TCMH’s Board Risk Management and Sustainability Committee;
“Connected Person(s)”	means any Person not being a Personnel that has dealings with TCMH Group such as its business partners, joint venture partners, agents, intermediaries, service providers, suppliers, contractors, sub-contractors, vendors, dealers and distributors;
“CEO”	means the Chief Executive officer of TCMH;
“Conflict of Interest”	means situations where: (i) the aims of two different Persons are incompatible or appear to be incompatible; or (ii) where such Persons are involved in a position to derive or perceived to derive personal benefit from actions or decisions made in their official capacity; or (iii) when personal interests and relationships impair, or appear to impair the independence of any judgment;
“Deputy President”	means the Deputy President of TCMH;
“Entertainment”	means all forms of event, activity or performance designed to entertain, amuse or provide enjoyment including the giving or receiving of food, drink or recreation of any kind;
“Facilitation Payments”	means payments made to secure or expedite the performance by a Person performing a routine or administrative duty or function;
“GIA”	means the Group Internal Audit of TCMH;
“GEH Register”	means the online Gratification(s), Entertainment and Hospitality register as described in Clause 12.3.2;
“Governing Committees”	means the governing committees set up to assist in the implementation of this Policy;
“Gratification”	means: (a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property



	<p>of any description whether movable or immovable, financial benefit, or any other similar advantage;</p> <p>(b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</p> <p>(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</p> <p>(d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</p> <p>(e) any forbearance to demand any money or money's worth or valuable thing;</p> <p>(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</p> <p>(g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f);</p>
"Group Integrity Office"	means a dedicated department established by the Group Integrity Officer to carry out his or her duties under this Policy;
"Group Integrity Officer"	means the Personnel described in Clause 9A.1 and shall include his or her alternate unless expressed otherwise;
"Group Legal"	means the Group Legal Department of TCMH;
"Group Risk Management"	means the Group Risk Management Department of TCMH;
"Head of Group Legal"	means Head of Group Legal of TCMH;
"Head of Group Human Resources"	means Head of Group Human Resources of TCMH;
"Hospitality"	means all forms of hospitality in any form including the provision of accommodation or travel whether in connection with or for the purposes of facilitating Entertainment with or without consideration paid whether in cash or in kind in promoting or in connection with a trade or business activity or transaction;



“Intermediaries”	means the Persons who act as a link between two or more parties in a transaction or arrangement;
“Investigation Unit”	means an in-house investigation unit with investigative responsibilities to probe into matters relating to corruptions, bribery and malpractices within the TCMH Group;
“Investigator(s)”	means the investigator(s) appointed by the Group Integrity Officer to conduct the investigation pursuant to Clause 9A.4.7;
“Key Management Personnel”	means any member of the senior or key management team of TCMH Group or Associate Companies including President, Deputy President, CEO, the Chief Financial Officer and all Heads of Subsidiaries and/or Heads of Departments or Divisions and shall include his or her alternate;
“MACC Act 2009”	means the Malaysian Anti-Corruption Commission Act 2009 (Act 694) and shall include any amendments or revisions thereto;
“Personnel”	means all private individuals not being a Connected Person(s) who are employed by or serving TCMH Group at all levels and grades whether on permanent, contract, secondment, temporary or assignment basis including interns, trainees, workers, executives, supervisors, managers, officers, consultants and directors (executive and non-executive) wherever they are located;
“Person”	means any private individual, organization or corporation (incorporated or unincorporated);
“Policy”	means TCMH Group’s Anti-Bribery and Anti-Corruption Policy as described herein and shall include any amendments thereto;
“President”	means the President of TCMH;
“Subsidiary” or “Subsidiaries”	means subsidiary or subsidiaries within the meaning as set forth in Section 4 of Malaysian Companies Act 2016 (Act 777);
“Third Party”	means any external Person independent of TCMH Group who is not principally involved with or has no direct connection to a particular transaction or arrangement.
“TCMH”	means Tan Chong Motor Holdings Berhad (Registration No.197201001333(12969-P))
“TCMH Group”	means TCMH, its Subsidiaries and companies or organisations of which TCMH directly or indirectly has a controlling interest, or has shares to the total value of not less than thirty per centum (30%) of the total issued capital of the companies or organisations.



“ TCMH Group’s Customers”	means Persons who purchase, buy, accept, acquire or have benefited directly or indirectly from the goods and/or services supplied by TCMH Group;
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7. APPLICATION OF THIS POLICY (P1)

7.1 This Policy applies to you (i.e. all Personnel, Associated Persons and Connected Persons), no matter where you are located.

7.2 This Policy shall supersede any prior TCMH Group’s policies, codes or regulations on bribery and corruption. For the avoidance of doubt, this Policy shall not supersede codes or regulations issued to supplement and/or implement this Policy. In the event there is any conflict or discrepancy between this Policy and the said codes or regulations, this Policy shall prevail.

8. POLICY OWNERSHIP AND RESPONSIBILITY MATRIX (P1)

8.1 The ownership, enforcement, control, implementation, governance, assessment, evaluation and supervision of this Policy shall be assumed by the Board of Directors, BAC, BRMSC, the Governing Committees and the Group Integrity Officer in the following manner:

NO	DESCRIPTION OF RESPONSIBILITIES	BOARD OF DIRECTORS	BAC	BRMSC	GOVERNING COMMITTEES	GROUP INTEGRITY OFFICER
1	Ownership of this Policy.	✓				
2	Supervision of this Policy.		✓	✓		
3	Assessment, Evaluation, and Governance of this Policy.				✓	
4	Implementation, Enforcement,					✓



Management,
Updating, and
Administratio
n of this
Policy.

9. THE GROUP INTEGRITY OFFICER AND GOVERNING COMMITTEES (P3 & P4)

9A. Group Integrity Officer

9A.1 Appointment

The Group Integrity Officer shall be a Personnel recommended by the President from amongst TCMH's senior management team and appointed by the Board of Directors.

9A.2 Alternate

An alternate to the Group Integrity Officer shall be a Personnel recommended by the President from amongst TCMH's senior management team and appointed by the Board of Directors. The alternate to the Group Integrity Officer shall carry out the Group Integrity Officer's duties as set out in this Policy should the Group Integrity Officer become unavailable.

9A.3 Removal

The sitting Group Integrity Officer and the alternate to the Group Integrity Officer appointed in accordance with Clause 9A.2 may be removed by the Board of Directors.

9A.4 Powers, Duties and Responsibilities

The powers, duties and responsibilities of the Group Integrity Officer shall be as follows unless determined otherwise by the Board of Directors:

9A.4.1 to receive, examine and/or evaluate all allegations or complaints regarding corruption and bribery activities involving TCMH Group;

9A.4.2 to execute, support, oversee, assist or manage all investigations in the manner as provided under this Policy where necessary;

9A.4.3 to ensure investigation findings are accurately and impartially captured to the best of the Group Integrity Officer's ability and thereafter forwarded to the Governing Committees for deliberation and decision;



- 9A.4.4 to manage and administer this Policy in accordance with the direction of the Governing Committees;
- 9A.4.5 to periodically update the Governing Committees on all matters concerning this Policy;
- 9A.4.6 to make, amend and revoke any standard operating procedures or guidelines in respect of all such matters as are necessary or desirable in pursuit of the execution and implementation of the roles and functions of this Policy;
- 9A.4.7 to appoint the Investigation Unit, an external counsel or such other person(s) to conduct the investigation;
- 9A.4.8 to serve as an internal reference, implementation, enforcement and control point for matters in connection with corruption and bribery within TCMH Group;
- 9A.4.9 to establish a dedicated department to carry out his or her duties under this Policy; and
- 9A.4.10 to be empowered to promote compliance of this Policy, foster zero tolerance towards bribery and corruption and implement, manage, administer and enforce this Policy.

9B. Governing Committees

9B.1 Setting up of the Governing Committees

In order to ensure effective utilisation of the TCMH Group resources and the implementation of this Policy, the Group Integrity Officer shall in consultation of the President set up the Governing Committees each with its own composition, jurisdiction and scope.

9B.2 Duties and Responsibilities

The main duties and responsibilities of the Governing Committees are as follows:

- 9B.2.1 Review, examine and evaluate the investigation findings presented by the Investigator(s) and/or the Investigation Unit;
- 9B.2.2 Seek further information and clarification from Investigator(s) and/or the Investigation Unit on the case presented if necessary;
- 9B.2.3 Challenge and determine the adequacy of the evidence to conclude on the allegations;



9B.2.4 Decide on the actions to be taken on the case presented, i.e. request for further investigations, close the case or agree on the appropriate follow-up actions (e.g. sanctions and/or disciplinary actions) including accountability for the actions;

9B.2.5 Review, assess and evaluate on internal control and risk related matters; and

9B.2.6 Escalate any significant findings to BAC on internal control matters and to BRMSC on risk assessment, strategy and other risk related matters in respect of this Policy.

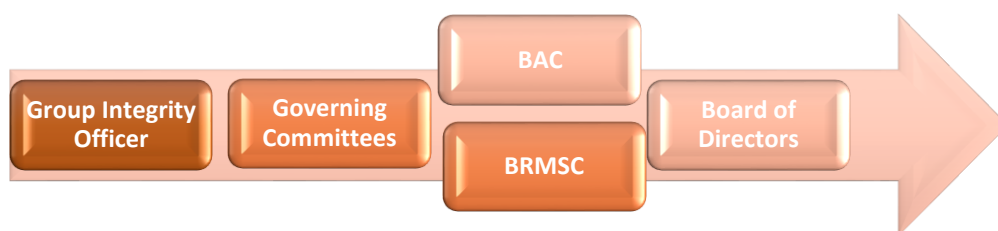
9B.3 Decisions

9B.3.1 The decisions made by the Governing Committees shall be based on consensus. Where there is no consensus, the decisions shall be based on the majority view. The chairman of the Governing Committees shall have a casting vote in the event there is a tie on the voting.

9B.3.2 The secretary of the Governing Committees will document the decisions made by the Governing Committees (including any agreed rationale for the decisions) in the minutes of the meeting. The minutes of the meeting shall be reviewed and approved by the chairman of the Governing Committees before being disseminated to the members of the Governing Committees for their reference.

10. REPORTING STRUCTURE (P4)

10.1 The following is the reporting structure for this Policy:



11. YOUR DUTIES AND RESPONSIBILITIES (P1)

- 11.1 You must ensure that you have read and understood the provisions of this Policy and the information supplied in connection thereto. If you are unclear of this Policy, you are to seek clarification from the persons below in the following order:
- 11.1.1 your immediate superior;
 - 11.1.2 the relevant Key Management Personnel, if your immediate superior is unable to address your concern(s); and
 - 11.1.3 the Group Integrity Officer, if the Key Management Personnel is unable to address your concern(s).
- 11.2 It is your duty and responsibility to:
- 11.2.1 observe and comply with this Policy;
 - 11.2.2 constantly communicate and remind those under your care, management or charge to uphold, adhere and comply with this Policy;
 - 11.2.3 constantly communicate and remind all Connected Person(s) with whom you have dealings with to observe and comply with all applicable national and international anti-bribery and anti-corruption laws, regulations and standards in all countries in which TCMH Group operates;
 - 11.2.4 prevent, detect and report any act or suspected act(s) of bribery or corruption in the manner as provided in this Policy; and
 - 11.2.5 provide your fullest cooperation and assistance to the Group Integrity Officer at all times.
- 11.3 Subject to Clause 14, you are to avoid and refrain from any activity or event that could directly or indirectly result in or lead to a breach of this Policy.
- 11.4 Those of you with administrative, organizational, supervisory, directorial or managerial powers shall implement this Policy within your sphere of responsibility and ensure that those under your charge upholds and adheres to this Policy.



11.5 The measures taken shall be proportionate to the risks associated with your areas of responsibility. Examples of these measures may include:

11.5.1 Devising, implementing and maintaining systems and controls to:

11.5.1.1 prevent bribery and corrupt practices;

11.5.1.2 minimize the risk of bribery and corrupt practices;

11.5.1.3 detect instances of bribery and corrupt practices; and

11.5.1.4 constantly educating and ensuring the compliance of this Policy by those under your charge.

12. GENERAL PRINCIPLES AND APPROVING PROCESS ON THE GIVING AND RECEIPT OF GRATIFICATION(S), ENTERTAINMENT AND/OR HOSPITALITY (P3)

12.1 Approval

No Gratification(s), Entertainment and/or Hospitality (“GEH”) are to be given or accepted unless such GEH meets the following underlying Principles and Purposes and the approval for the giving or receipt thereof is made in line with the **Limits of Authority** approved by the Board of Directors pursuant to this Policy:

UNDERLYING PRINCIPLES AND PURPOSES FOR THE RECEIPT AND GIVING OF GRATIFICATION(S), ENTERTAINMENT AND/OR HOSPITALITY	
PRINCIPLES	PURPOSES
(i) The giving or acceptance of Gratification(s), Entertainment and/or Hospitality and its purpose must be customary, culturally appropriate and lawful;	(i) Business promotion and sustainability;
(ii) The Gratification(s), Entertainment and/or Hospitality must not be offered/accepted when there is a pending material business decision;	(ii) Gestures of goodwill;
(iii) The Gratification(s), Entertainment and/or Hospitality must be modest, reasonable and not inappropriate or excessive;	(iii)Token of appreciation;
(iv) No conflict of interest will arise as a result of the giving or acceptance of the Gratification(s), Entertainment and/or Hospitality;	(iv)Commemorative purposes;
(v) There must be no perceived or actual expectation of any improper or	(v)Customary practice; and/or



unmerited favour or advantage(s) from the intended recipient(s);	
(vi) The judgment, action or decision of the intended recipient(s) must not be unlawfully affected by the Gratification(s), Entertainment and/or Hospitality or its gesture;	(vi) Such other lawful purposes deemed fit by the BRMSC.
(vii) The acceptance or giving of the Gratification(s), Entertainment and/or Hospitality is transparently effected;	
(viii) The contents of the Gratification(s), Entertainment and/or Hospitality is not illegal;	
(ix) The giving or acceptance of the Gratification(s), Entertainment and/or Hospitality is not and will not be perceived as a bribe;	
(x) The giving or acceptance of the Gratification(s), Entertainment and/or Hospitality will not negatively affect the reputation, integrity or standing of TCMH Group and any Associate Company; and	
(xi) The giving or acceptance of the Gratification(s), Entertainment and/or Hospitality will not cause TCMH Group or any Associate Company to be in violation of any laws or regulations.	

In the event there are any inconsistencies between the limits of authority approved by the Board of Directors pursuant to this Policy and any other authority matrix of companies within TCMH Group in relation to matters under and/or the implementation of this Policy, the former shall prevail.

12.2 Authority to Approve

12.2.1 Approval for the giving and acceptance of Gratification(s), Entertainment and/or Hospitality shall lie with the relevant Key Management Personnel.

12.3 Approval Guidelines

12.3.1 Before approving or accepting any Gratification(s), Entertainment and/or Hospitality, the relevant Key Management Personnel must give due consideration to the following on a case to case basis:



- 12.3.1.1 the scale and value of the said Gratification(s), Entertainment and/or Hospitality;
- 12.3.1.2 the actual recipient or provider of the said Gratification(s), Entertainment and/or Hospitality;
- 12.3.1.3 the timing of the giving or receipt of the said Gratification(s), Entertainment and/or Hospitality;
- 12.3.1.4 the character of the Gratification(s), Entertainment and/or Hospitality;
- 12.3.1.5 the business context, purpose and the position/seniority of the person providing or receiving the said Gratification(s), Entertainment and/or Hospitality;
- 12.3.1.6 the reciprocity of the said Gratification(s), Entertainment and/or Hospitality;
- 12.3.1.7 applicable laws; and
- 12.3.1.8 customary and cultural norms.

12.3.2 Approval or rejection of any Gratification(s), Entertainment and/or Hospitality shall be recorded through TCMH Group's online Gratification(s), Entertainment and Hospitality register.

12.3.3 The relevant Personnel receiving and giving the Gratification(s), Entertainment and Hospitality shall cause the details of the same to be duly recorded in the GEH Register without undue delay.

12.3.4 Where there is more than one (1) Personnel receiving or giving the Gratification(s), Entertainment and Hospitality, the most senior amongst such Personnel shall cause the details of the Gratification(s), Entertainment and Hospitality to be duly recorded in the GEH Register without undue delay.

12.3.5 The relevant Key Management Personnel shall complete the Gratification(s), Entertainment and Hospitality recording process by either rejecting or approving the same by selecting the appropriate fields in the GEH Register.

12.4 Impact of Approval

12.4.1 Key Management Personnel who approves the giving or acceptance of any Gratification(s), Entertainment and/or Hospitality shall be deemed to have:



- 12.4.1.1 reviewed or examined the relevant Gratification(s), Entertainment and/or Hospitality; and
- 12.4.1.2 unconditionally declared, assured and confirmed to TCMH Group or the Associate Company as the case may be that none of the provisions of this Policy are breached when the Gratification(s), Entertainment and/or Hospitality is approved.

12.5 Treatment for accepted Gratification(s)

- 12.5.1 Treatment for Gratification(s) that have been accepted shall be in accordance with any one (1) of the following:
 - 12.5.1.1 donate the Gratification(s) or its sale proceeds to charity; or
 - 12.5.1.2 hold it for departmental display or commemoration purposes; or
 - 12.5.1.3 permit it to be retained by the relevant Personnel if the Gratification(s) contains such Personnel's name; or
 - 12.5.1.4 share it with the rest of the Key Management Personnel's department, section or division or with other Personnel (consumable items only).

12.6 Rejection of Gratification(s), Entertainment and/or Hospitality

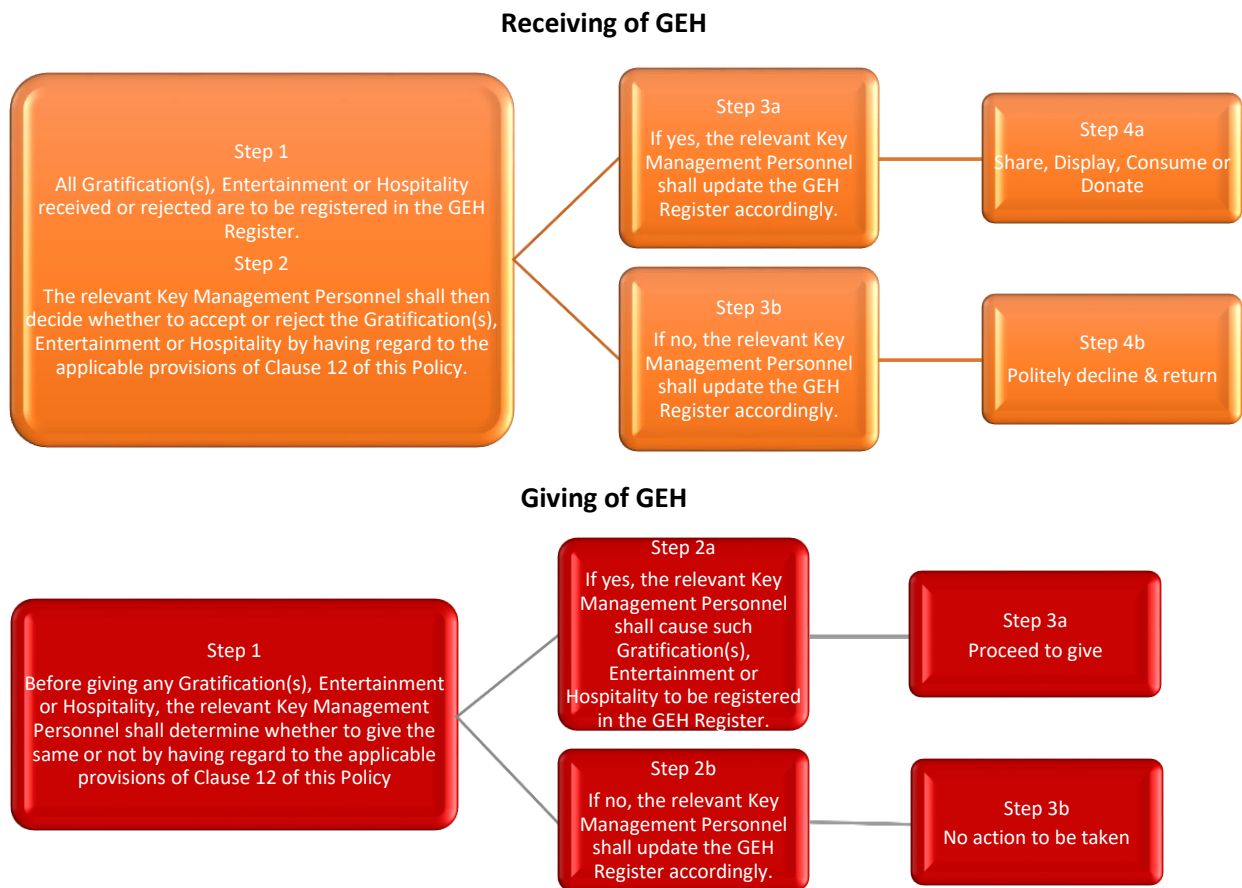
- 12.6.1 All Gratification(s), Entertainment and/or Hospitality that do not meet the provisions of this Policy must be rejected even though it may be disrespectful or distasteful to do so and the onus to do so shall lie with the relevant Key Management Personnel or in his or her absence, the immediate subordinate.
- 12.6.2 In rejecting such Gratification(s), Entertainment and/or Hospitality, the relevant Key Management Personnel must politely and tactfully convey the rejection to the Person giving the same.
- 12.6.3 In the case of physical Gratification(s), the rejection must be accompanied with the return of the said Gratification(s). If the return of such Gratification(s) is not possible then the relevant Key Management Personnel shall cause the same to be destroyed or disposed as soon as possible.

12.7 Audit of the GEH Register



12.7.1 The Group Integrity Officer and/or the GIA shall be entitled to audit and obtain copies of the GEH Register from time to time for purposes that include the enforcement, implementation and monitoring of the efficacy of this Policy.

12.8 Flow Chart of Receiving and Giving of GEH



13. **GENERAL PRINCIPLES ON FACILITATION PAYMENT (P3)**

13.1 No offering, extortion, promising, paying, receiving or requesting for any Facilitation Payment(s) for the benefit of TCMH Group, Associate Companies or any Personnel, Associated Person, Connected Person(s) or any other Person shall be permitted.

14. **EXCEPTIONS TO THE GENERAL PRINCIPLES ON GRATIFICATION(S), ENTERTAINMENT AND HOSPITALITY (P3)**



14.1 The level of safety, security, customary practices and expectations may differ in the places and environments where TCMH Group operates. Provided that it is not against the MACC Act 2009 and other applicable laws and regulations on corruption, we recognise there may be times when you may be forced to breach this Policy in order to protect life, limb and liberty.

14.2 Under these circumstances, you must cause and ensure that:

14.2.1 the incident is reported to the Group Integrity Officer as soon as possible in writing;

14.2.2 the report contains the following:

14.2.2.1 the detailed and verifiable description of the incident;

14.2.2.2 the gratification; and

14.2.2.3 other relevant information in connection with the above.

14.3 The Group Integrity Officer shall be entitled to investigate and verify such incident (in consultation with Governing Committees). If the truth and veracity of said report is confirmed then such incident will be deemed as an exception to this Policy.

15. CONFLICT & INCONSISTENCIES WITH LOCAL LAWS AND REGULATIONS

15.1 If you find a provision in this Policy to be inconsistent or conflicts with any applicable law(s) or regulation(s) in your jurisdiction, you must as soon as possible inform the Group Integrity Officer of such inconsistency in writing and support the same with relevant documentation evidencing the inconsistency with a copy thereof to be sent to the Chairman of the Governing Committees and your superior.

15.2 Subject to Clause 15.1, no action or omission shall be taken in so far as such inconsistency or conflict is concerned until advice from the Group Integrity Officer has been obtained.

16. FREQUENTLY ASKED QUESTIONS (P5)

16.1 The frequently asked questions concerning this Policy shall be as set out in **Appendix 1** of this Policy.

17. DECLARATION AND CONFIRMATION (P3)

17.1 All Personnel and Associated Person(s) shall declare to TCMH Group on an annual basis or on such frequency as shall be determined by the Group Integrity Officer (in



consultation with the Governing Committees), their commitment towards the upholding and maintaining a zero tolerance towards bribery and corrupt practices.

17.2 Those of you who have dealings with Connected Persons shall notify, remind and cause such persons to issue to TCMH Group on an annual basis or on such frequency as shall be determined by the Group Integrity Officer (in consultation with the Governing Committees) a covenant or undertaking in the form as prescribed by the Group Integrity Officer (in consultation with the Governing Committees) that they will not carry out or allow to be carried out any form of corruption.

18. DUE DILIGENCE, REMINDERS AND ENGAGEMENT SESSIONS (P5)

18.1 You must perform due diligence investigation on all vendors, services providers, contractors, sub-contractors, dealers, agents, customers and suppliers with whom you deal with. The scope of the due diligence investigation should include background and credit checks, document verification and interviews. Due diligence investigation should be conducted prior to entering into any contractual relationship and periodically wherein payment to these persons should be appropriate, justifiable and reasonable.

18.2 You must cause and ensure that all vendors, services providers, contractors, sub-contractors, dealers, agents, customers and suppliers with whom you deal with are duly briefed and reminded of TCMH Group's zero tolerance on corruption and bribery in writing and through engagement sessions at least once a year or on such frequency as shall be determined by the Group Integrity Officer (in consultation with the Governing Committees). The relevant Key Management Personnel shall keep a record of all such reminders and engagement sessions for GIA to audit from time to time. The Group Integrity Officer shall keep the original copies of such engagement sessions.

18.3 All relevant Key Management Personnel shall also cause and ensure that all those who are answerable directly or indirectly to him or her are duly briefed and reminded of TCMH Group's zero tolerance on corruption and bribery in writing and through engagement sessions at least **once a year** or on such frequency as shall be determined by the Group Integrity Officer (in consultation with the Governing Committees). The relevant Key Management Personnel shall keep a record of all such reminders and engagement sessions for GIA to audit from time to time and the Group Integrity Officer shall keep the original copies of such record.



19. AUDIT AND REVIEW (P4)

19.1 All of TCMH Group's documents, processes and systems shall be subject to audit by the Group Integrity Officer and/or the GIA to ensure compliance with this Policy.

20. TRAINING & COMMUNICATION (P5)

20.1 The Group Integrity Office and/or Group Human Resources will from time to time provide training on this Policy as part of its induction process for all new Personnel.

20.2 Existing Personnel will receive training on the scope and application of this Policy from time to time. These Personnel will also be required to declare their commitment to adhere and uphold this Policy in such form as shall be prescribed by the Group Integrity Officer (in consultation with the Governing Committees) on an annual basis or on such frequency as shall be determined by the Group Integrity Officer (in consultation with the Governing Committees).

20.3 This Policy is available to all Personnel and can be found at our intranet service (<http://intranet.tanchonggroup.com/>) or our public website (<https://www.tanchonggroup.com/>).

21. CORRUPTION RISK ASSESSMENTS

21.1 Corruption risk assessments will be conducted by Group Risk Management as part of the standard business risk assessment or on a stand-alone basis in accordance with TCMH Group's Risk Management Policy and Procedure to identify, analyse, assess and prioritise the internal and external corruptions risks of TCMH Group and determine the level of controls necessary for a particular aspect of TCMH Group's operations, including in relation to procurement and tender processes. The corruption risk assessment shall be conducted every three years or whenever there is a change in law or circumstance of business which warrants it.

21.2 Corruption risk assessments should give consideration to:

21.2.1 "**COUNTRY RISKS**", which includes an assessment of the overall risks of corruption and bribery associated with a particular jurisdiction;

21.2.2 "**TRANSACTIONAL RISKS**", which includes an assessment of the risks associated with a business transaction undertaken by TCMH Group;



- 21.2.3 "BUSINESS OPPORTUNITY RISKS", which includes the risk that pursuing or obtaining business opportunities may result in acts of bribery or corruption; and
 - 21.2.4 "BUSINESS PARTNERSHIP RISKS", which includes risks deriving from relationships or partnerships with Third Parties or Person connected with TCMH Group.
- 21.3 Group Risk Management must ensure that records and documentation of each corruption risk assessment are kept as part of the system of internal controls and record keeping as set out in this Policy.
- 21.4 Group Risk Management shall share the results of their findings from the corruption risk assessments with the Group Integrity Officer.

22. LIST OF HIGH RISK OR "RED FLAG" CIRCUMSTANCES (P5)

- 22.1 The following is a list of circumstances that may indicate the possible existence of corrupt practices and should be kept in mind by all those subject to this Policy:
- 22.1.1 use of Agents or Intermediaries with a poor or unverifiable reputation or with direct or indirect links to the government or the authorities (foreign or local);
 - 22.1.2 unusually large commission payments or commission payments where the Agent does not appear to have provided significant services;
 - 22.1.3 cash payments, or payments made without proper paper trail or without compliance with normal internal controls;
 - 22.1.4 unusual bonuses to personnel (foreign or local) for which there is little supporting documentation;
 - 22.1.5 payments to be made through third party countries or to offshore accounts;
 - 22.1.6 private meetings requested by public contractors or companies hoping to tender for contracts;
 - 22.1.7 not following TCMH Group's policies or procedures;
 - 22.1.8 abusing the decision-making process;
 - 22.1.9 unexplained preferences for certain contractors, suppliers, service providers, technical providers, vendors or sub-contractors;
 - 22.1.10 invoices rendered or paid in excess of contractual amounts;
 - 22.1.11 where:
 - 22.1.11.1 a Connected Person has current business, family or some other close personal relationship with a customer or



- government official, has recently been a customer or government official or is qualified only on the basis of his influence over a customer or government official;
- 22.1.11.2 a customer or government official recommends or insists on the use of a certain business partner or entity;
- 22.1.11.3 a Connected Person refuses to agree to anti-corruption contractual terms, uses a shell company or other unorthodox corporate structure, insists on unusual or suspicious contracting procedures, refuses to divulge the identity of its owners, or requests that its agreement be backdated or altered in some way to falsify information;
- 22.1.11.4 a Connected Person is found to have a poor reputation or has faced allegations of bribes, kickbacks, fraud or other wrongdoing or has poor or non-existent third-party references;
- 22.1.11.5 a Connected Person does not have a permanent office, staff or qualifications adequate to perform the required services; or
- 22.1.11.6 an expense/payment request by a Connected Person is unusual, is not supported by adequate documentation, is unusually large or disproportionate to products to be acquired, does not match the terms of a governing agreement, involves the use of cash or an off-the-books account, is in a jurisdiction outside the country in which services are provided or to be provided, or is in a form not in accordance with local laws.
- 22.2 This list of “red flags” above is not exhaustive and may be updated from time to time.
- 22.3 You must be alert to other indicators that may raise a suspicion of corrupt activity at all times.
- 22.4 Should you become aware of the existence of any of the above red flag circumstances, you must forthwith report the same to the Group Integrity Officer.

23. REPORTING CHANNEL (P5)

- 23.1 A Compliance Reporting Channel is available on TCMH’s intranet and public website for anyone to enquire, report or provide feedback on any corrupt practices regardless whether perceived or actual. You may contact the Group Integrity Officer via the following reporting channels:-



- (i) by email to compliance@tanchonggroup.com;
- (ii) By text message via the Compliance online “Hotform”;
- (iii) via Toll Free line “1800-888-245”

23.2 In the event the Group Integrity Officer is implicated in the report, you may contact the Chairman of BAC by sending the report to the Chairman of BAC, c/o Group Secretarial at No. 62-68, Jalan Sultan Azlan Shah, 51200 Kuala Lumpur.

24. REPORTING AND RAISING A CONCERN (P5)

24.1 How and when to raise a concern

If you see or suspect an instance of bribery or corrupt activity occurring in relation to TCMH Group (actual, perceived or potential) or have reason to believe that you or any other Personnel, Associated Persons and/or Connected Persons may become entangled in a similar situation, you must raise this concern and report the incident at the earliest to the Group Integrity Officer, through the Compliance Reporting Channel as mentioned in clause 23.1 or to the Chairman of BAC under Clause 23.1, as the case may be.

24.2 Protection

We take bribery and corrupt practices very seriously and practise an open door policy. We understand that you may feel worried or otherwise be concerned about potential repercussions if you refuse to accept or offer a bribe or report a concern relating to potential act(s) of bribery or corruption. We do not tolerate retaliation against anyone who discloses actual or suspected violations in good faith. You will not suffer harassment, retaliation or adverse employment consequence for voicing out or cooperating in an investigation. This protection is assured under TCMH’s Special Complaints Policy. Any Personnel who retaliates against anyone who make such reports in good faith will be subject to disciplinary action, which could include termination of employment or dismissal.

We will use our best endeavour to ensure that no one suffers any detrimental treatment as a result of his or her refusal to accept or offer a bribe or participate in other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption. In this respect, detrimental treatment refers to



dismissal, disciplinary action, threats, or unfavourable treatment in relation to the concern raised.

If you have reason to believe that you are or have been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform the Group Integrity Officer or the Chairman of BAC (if the Group Integrity Officer is implicated) immediately.

24.3 Confidentiality of Reports

All reports will be kept confidential. For reports received involving Associated Person(s), Connected Person(s), Third Parties and external Person(s), only the Group Integrity Officer, GIA, members of the BRMSC, BAC, Board of Directors and Persons authorised by the above on a need to know basis will have access to the said reports.

Disclosure to third parties will only be made if such disclosure is required under the applicable law, regulation or legal process unless the report has become public knowledge due to no fault of the Group Integrity Officer, GIA, members of the BRMSC, BAC, Board of Directors and Persons authorised by them.

24.4 Handling a report made pursuant to Clause 24.1

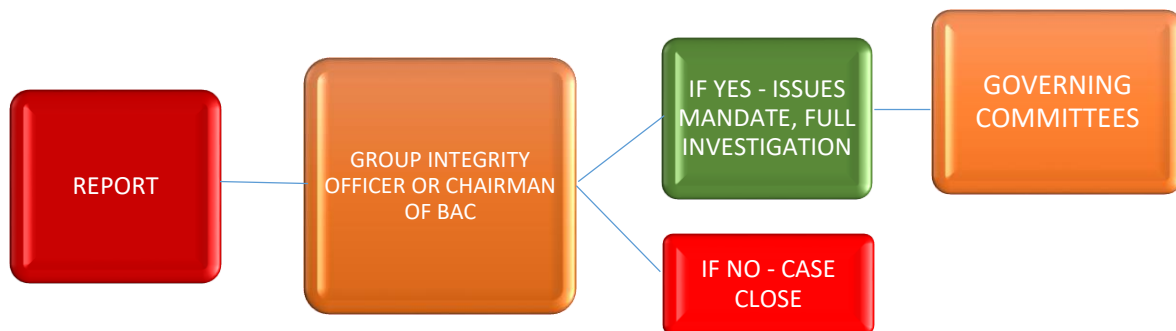
24.4.1 The Group Integrity Officer will conduct preliminary investigation based on any credible report he or she receives.

24.4.2 Where the matter is deemed potentially serious, the Group Integrity Officer shall mandate investigation to be carried out.

24.4.3 In the event the Group Integrity Officer is implicated in the report, the Chairman of BAC shall take over the role of the Group Integrity Officer under Clauses 24.4.1 and 24.2.2 by conducting preliminary investigation, mandating investigation to be carried out and/or taking such actions as the Chairman of BAC may deem fit.

24.5 Reporting Flow Chart





24.6 Empowerment

In the pursuit of executing the roles and functions of this Policy, the Investigation Unit shall be established and its team members shall be empowered to:

- 24.6.1 Have unrestricted access to all functions, systems, records, property, and personnel within the TCMH Group;
- 24.6.2 Have full and free access to the Governing Committees members;
- 24.6.3 Design its annual investigation plan, select review areas, determine scope of work and apply the techniques required to accomplish its objectives; and
- 24.6.4 Obtain the necessary assistance from Personnel and any other specialist from external services as and when required.

The head of the Investigation Unit shall be administratively reporting to the President’s office and functionally reporting to the Group Integrity Officer and the Governing Committees.

25 STORAGE AND MANAGEMENT OF RECORDS (P5)

- 25.1 The relevant Key Management Personnel shall cause and ensure that the GEH Register and all other information related to this Policy shall be maintained and made available for audit and verification purposes for a period of 7 years or in accordance with the prevailing laws in Malaysia, *whichever being the longer.



26 INCORPORATION OF ANTI-CORRUPTION PROVISIONS INTO DOCUMENTS (P3)

- 26.1 All agreements and documents (including payment vouchers, invoices, purchase orders, delivery orders, debit notes, credit notes, travel requisition forms, claims form, procurement and tender contracts etc.) intended for circulation must as far as possible contain where applicable an anti-bribery and anti-corruption provision.
- 26.2 You are encouraged to consult and obtain the appropriate anti-bribery and anti-corruption provision from Group Legal.

27 IMPROVEMENTS, AMENDMENTS AND REVISIONS

- 27.1 This Policy may from time to time be amended or revised by the Board of Directors to improve its effectiveness at combating bribery and corruption.
- 27.2 You are encouraged to offer your feedback on this Policy if you have any suggestions for the improvement of this Policy. Feedback of this nature should be directed to the Group Integrity Officer.

28 DISCIPLINARY ACTION

- 28.1 In all cases where it is considered appropriate, the Governing Committees will upon the completion of a full investigation, provide advice and direction on the appropriate legal and/or disciplinary action to be taken.
- 28.2 Any employees of TCMH Group found guilty of a criminal act and/or serious misconduct will be considered to have committed a serious disciplinary offence and may be dismissed or removed from his or her position on grounds of gross misconduct.
- 28.3 The follow-up actions on the above legal and/or disciplinary action shall be carried out by the respective operating unit and/or company within TCMH Group, after consultations with and advice from the Head of Group Legal and Head of Group Human Resources, following the due process of the law.
- 28.4 Where supervisory negligence is found to be a contributory factor, disciplinary action may also be initiated against those managers or supervisors responsible.
- 28.5 Losses resulting from corruptions, bribery and malpractices may be recovered and if necessary through civil action.

..... END



APPENDIX 1

FREQUENTLY ASKED QUESTIONS

1. Question 1 – Lunch with Suppliers

I often have lunch meetings with my suppliers. Can I continue meeting the suppliers regularly for lunch and have or agree for the suppliers pay for my lunches?

Answer

Supplier-paid meals are allowed only if, in each instance, they serve a lawful business purpose and meets the guidelines set out in this Policy. In general, on-going lunches with the same suppliers would not appear to serve a lawful business purpose unless there are extenuating circumstances. You should make efforts to meet with the suppliers outside of meal periods to avoid the appearance of impropriety (i.e., the possibility of the suppliers exerting undue influence on decisions by continually paying for lunches). If a lunch meeting is required, guidelines under this Policy must be followed.

2. Question 2 – Golf with Customers

Sometimes I may meet with my customers for a game of golf to maintain my business relationship with them. Can I offer to pay for these golfing sessions?

Answer

Golfing sessions and the like are allowed only if, in each instance, they serve a lawful business purpose and meets the guidelines set out in this Policy. Constant golfing sessions and the like should be avoided as it may cause an appearance of impropriety. You should always work towards meeting your customers in your office or at your customer's premises during work hours. Where such golfing sessions is required, guidelines under this Policy must be followed.

3. Question 3 – Accepting Entertainment Abroad

I am attending a business meeting at the vendor's corporate office overseas. The travel and hotel will be paid for by TCMH Group. However, along with the meetings, there will be dinners as well as entertainment paid for by the vendor. Can I accept the meals and Entertainment?

Answer



It is acceptable for you to receive reasonable dinners paid by the vendor while at the business meetings as long as you have received the requisite pre-approval in writing for the trip in advance from your superiors and the approver of the Entertainment (i.e. the relevant Key Management Personnel) who will make a decision whether the Entertainment would be considered appropriate and consistent with the business purpose of the meeting based on the circumstances. For avoidance of doubt, all dinners and Entertainment must meet the guidelines on this Policy before acceptance.

4. Question 4 – Gratification(s) from Business Partner

In the country where one of our offices are located and which I visit on a periodic basis, declining or refusing a Gratification from a business partner is considered an insult and may affect our overseas business. What should I do if a business partner offers me a Gratification that the Group policy prohibits me from receiving?

Answer

Consult with the Group Integrity Officer. If refusing the Gratification(s) might severely damage a business relationship, it may be permissible to accept it on behalf of TCMH Group, depending on the type of Gratification(s), whether such Gratification(s) meets the guidelines stipulated in this Policy and provided the acceptance thereof is approved by the relevant Key Management Personnel and treated in the manner as specified in this Policy. For avoidance of doubt, you must politely decline the Gratification(s) if it involves cash or cash equivalent even though such action may cause you to lose your business relationship with the business partner.

5. Question 5 – Facilitation Payment

When visiting a foreign country on a business trip, the immigration officer extorts or requests for a token sum to expedite the processing of my visa to enter the country. Is it acceptable for me to pay him, given that the amount is not excessive?

Answer

No, all forms of Facilitation Payment is strictly prohibited under all circumstances and this extends to the conduct of business activities and travelling abroad for business trips. To avoid circumstances as the above, the onus is on you to enquire beforehand the criteria and requirements for entry and prepare for the required documents earlier to avoid any need to expedite the process.

6. Question 6 – Receipt of Sponsorship for Charitable Event



Can I receive a contribution or sponsorship made by a customer to a charitable event organized by TCMH Group or to the sports club of TCMH Group?

Answer

Yes, provided such contribution or sponsorship is sanctioned by TCMH Group and it meets the guidelines under this Policy.

7. Question 7 – Sponsorship of Customer or Third Party Events

Can I arrange for TCMH Group to contribute or sponsor an event organized, sponsored, supported or funded by TCMH Group’s customer or a Third Party?

Answer

Yes, provided such contribution or sponsorship meets the guidelines under this Policy. In this regard, the onus shall be on you to perform a due diligence investigation on the event and ensure that it is lawful and TCMH Group’s participation therein will not result in any compromise on its integrity.

8. Question 8 – Event Contribution

Can I cause TCMH Group to donate or contribute to an organization or event organized or nominated by a Connected Person on behalf of TCMH Group or an Associate Company?

Answer

Yes, provided the TCMH Group’s policy on donations is met.

9. Question 9 – Sponsorship of Government Funded Initiatives

Can TCMH Group contribute or sponsor any government funded or supported initiative?

Answer

Yes, provided such contribution or sponsorship is approved by TCMH Group and meets the guidelines under this Policy. You must also ensure that TCMH Group is duly issued with an official receipt for the contribution or sponsorship.

10. Question 10 – Cost of Evaluation



In one of my business travels, I came across a potential customer operating in Germany who wishes to purchase goods from TCMH Group on a large-scale basis. This potential customer would like to evaluate TCMH Group's plant in Malaysia before committing to an order. Can I cause TCMH Group to pay for the cost of such evaluation (including flight tickets, accommodation and entertainment)? If TCMH Group does not pay for such cost, this potential customer will unlikely place any orders from TCMH Group for the goods.

Answer

Yes, provided the provisions of this Policy are met and both TCMH Group and the potential customer itself sanction the entire arrangement, as there is no guarantee whether this potential customer will place any order for the goods. In carrying out the above, you must ensure that there is adequate and proper documentary evidence to show that both TCMH Group and the potential customer approve this arrangement.

11. Question 11 – Payment of Unsanctioned Expenses

In order to maintain a smoother business relationship, can TCMH Group pay for the travel expenses for an officer of TCMH Group's existing customer when such expenses and the purposes thereof has not been approved by the said customer?

Answer

No. Any payment of such nature would be tantamount to a bribe and must be avoided at all times.

12. Question 12 - False Claims

In order to maintain TCMH Group's business relationship with a customer, can I advance a payment to cover the personal travel expenses of a person who works for TCMH Group's customer and thereafter submit a claim to TCMH Group by creating a payment claim?

Answer

No. Such act would be tantamount to the falsification of a claim and bribe. You will be subject to disciplinary action and may even be reported to the authorities if you are found to be guilty of such conduct. It must therefore be avoided at all times.

13. Question 13 – Excessive Gratification(s)



Can TCMH Group pay for a Rolex Watch worth RM80,000-00 and thereafter give it to an officer of a customer who TCMH Group believes has done more than a lot to assist it in securing a bid to supply goods to the said customer as a token of appreciation?

Answer

No, as such act will likely be perceived as a bribe and should be avoided.

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