




TERENGGANU INC

**TERENGGANU INC GROUP
ANTI-BRIBERY AND CORRUPTION
POLICY**

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DISCLAIMER NOTICE

This policy is the sole property of Terengganu Incorporated Sdn Bhd (“Terengganu Inc”) and has been prepared for the exclusive use of the management and employees of Terengganu Inc group of companies.


The policy is intended for internal circulation only and disclosure of any information to any third party or unauthorized personnel is considered as an offence.

AMENDMENTS

Amendments to the policy are subject to authority limits outlined in the Limit of Authority of Terengganu Inc.

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<p>Approved and adopted by the Board of Directors of Terengganu Incorporated Sdn. Bhd. at the Board of Directors’ Meeting No. 54 (3/2020) held on 17122020</p>

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AMENDMENT RECORD

This page is used to record every amendment that had been made to this document. All amendments must be properly recorded. Group Compliance & Integrity (“GCI”) Department of Terengganu Inc is responsible for handling this record.

No.	Page/Section No.	Revision No.	Effective Date	General Description	Approval Date



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ABBREVIATIONS

COBE	:	Code of Business Ethics
GHOC	:	Group Head of Company
GCEO	:	Group Chief Executive Officer
HOC	:	Head of Company
MACC	:	Malaysian Anti-Corruption Commission

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1.0 OBJECTIVE


- 1.1 This Anti-Bribery and Corruption Policy & ("ABC Policy" or "the Policy") has been developed to be in line with the Guidelines on Adequate Procedure issued pursuant to the section 17A of the Malaysian Anti-Corruption and Commission Act 2009 and its amendments.

2.0 SCOPE

- 2.1 This Policy shall apply to all directors and employees of Terengganu Inc Group and Business Associates.


3.0 DEFINITIONS

- 3.1 The following definitions shall apply throughout the policy unless otherwise expressly stated:
- (a) "Terengganu Inc" or "the company" means Terengganu Incorporated Sdn. Bhd.
 - (b) "Terengganu Inc Group" or "the Group" used for convenience where references are made to Terengganu Inc and its subsidiaries and controlled companies of both direct and indirect interests. The companies in which Terengganu Inc has direct or indirect shareholding are distinct legal entities.
 - (c) The term "Employee" means any person who is in the employment of the Group including but not limited to permanent, contract, executive, non-executive, secondees and individual on direct hire.
 - (d) The term "Bribery" means the act of offering, promising, giving, accepting or soliciting of an undue advantage or gratification, either directly or indirectly, and irrespective of location(s), as an inducement or reward for a person acting or refraining from acting, in relation to the performance of that person's duties.
 - (e) The term "Corruption" is any unlawful or improper behavior that seeks to gain an advantage through illegitimate means. Corruption includes, but not limited to, bribery, extortion, fraud, abuse of power, embezzlement, and money laundering.
 - (f) "Gratification" shall include but not be limited to pecuniary and non-pecuniary benefits such as money, donation, gift, loan, fee, reward, valuable security, property or interest in property, movable or immovable property, financial benefit, office, dignity, employment, contract of employment or services, agreement to give employment or render services in any capacity, any offer, undertaking or promise, whether conditional or

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unconditional, of any gratification, including favor which is of value to the recipient, forbearance which is beneficial to the recipient, and any other gratification as defined in the Malaysian Anti-Corruption and Commission Act 2009 and its amendment(s) ("MACCA").

- (g) "Third Parties" means a person or body that is independent of the Group.
- (h) "Business Associate" includes but not limited to clients, customer, joint ventures, joint ventures partner, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, supplier, vendors, advisors, agents, distributors, representatives, intermediaries and investors. All Business Associates are third parties, but not all third parties are business associates.
- (i) "Public Official" means Person holding legislative, administrative or judicial office, whether by appointment, election or succession, or any person exercising a public function, including for a public agency or public enterprise, or any official or agent of a public domestic or international organization, or any candidate for public office.
- (j) Unless otherwise stated, the following shall apply:
- I. "The Board" refers to the Board of Directors of the Company.
 - II. "Group Head of Company" refers to the Business Head who runs all aspects of the Company (i.e., holds title such as Executive Director, Chief Executive Officer, General Manager, etc.).
 - III. "Joint Venture" refer to business venture which is undertaken jointly with unrelated partners. May take the form of subsidiaries, associates and unincorporated entities.
 - IV. "Management" refers to those persons who perform the task of managing a specific function of the Company (e.g., Chief Financial Officer, Heads of Department, etc.).

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4.0 CORPORATE LIABILITY PROVISIONS OF SECTION 17A OF MACC ACT 2009

- 4.1 The provision of section 17A under the MACC Act 2009, establishes the principle of a commercial organization's (including Terengganu Inc Group) corporate liability for the corrupt practices of its employees and / or any person associated with the commercial organization in cases where such corrupt practices are carried out for the organization's benefit or advantage.
- 4.2 The penalties could be in the form of a fine of not less than ten (10) times the value of gratification or RM1 million, whichever is higher, or imprisonment for a term not exceeding 20 years, or both.
- 4.3 The Guidelines on Adequate Procedure was issued by the Prime Minister's Office with the objective of assisting commercial organization to understand what adequate procedures should be implemented to prevent the occurrence of corrupt practices in business activities and which could be relied on as a defense to absolve liability under section 17A.
- 4.4 There are five (5) principles, which that may be used as reference points to assist commercial organization which as follows:
 - a) Top Level Commitment
 - b) Risk Assessment
 - c) Undertake control measures
 - d) Systematic review, monitoring and enforcement
 - e) Training and communication

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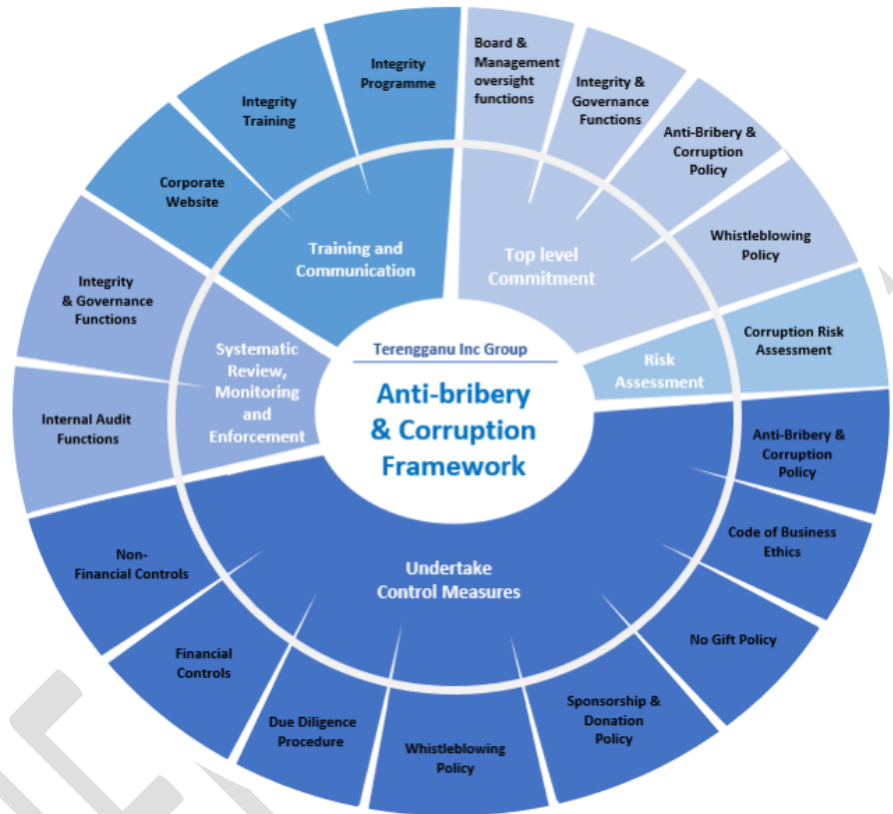
5.0 ANTI-BRIBERY AND CORRUPTION POLICY STATEMENT

- 5.1 Terengganu Inc Group is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates, and in implementing and enforcing effective systems to counter bribery and corruption. Both bribery and corruption are punishable offences under the Malaysian Anti-Corruption and Commission Act 2009 and its amendments.
- 5.2 Terengganu Inc Group's anti-bribery and corruption stances are as follows:
- a) The Group adopts a "Zero Tolerance" approach against all forms of bribery and corruption.
 - b) All directors and employees must not offer, promise, give, solicit or accept any bribe and/or other improper gratifications in order to achieve any business or personal advantage for themselves or others, or engage in any transaction that contravenes any applicable anti-bribery or anti-corruption laws.
 - c) The Group holds a "No Gift" Policy, although certain exceptions are allowed.
 - d) Dealing with third parties including clients, joint ventures partner, outsourcing providers, contractors, consultants, supplier, vendors, advisors, agents, distributors and representatives must be carried out in compliance with all relevant laws and must be consistent with the values and principles of the Group's Code of Business Ethics ("COBE").
 - e) The Group encourages its employees or other stakeholders to make any disclosures openly and honestly, and that concerns or complaints raised will be treated fairly and properly.

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6.0 ANTI-BRIBERY AND CORRUPTION FRAMEWORK


6.1 The diagram below highlights how the various policies, procedures and control of the Group addresses the five (5) principles outlines in the Guidelines on Adequate Procedures.




6.2 Top Level Commitment

- a) The Group's Board, Management and relevant functions are responsible to ensure adequate procedures are in place. The respective key responsibilities are as follows:

Function	Roles and responsibilities
Board of Directors	I. Determining the Group stances on anti-bribery and corruption. II. Overseeing the establishment, maintenance and review of Terengganu Inc Group's ABC policy; and III. Promoting a culture of Integrity including managing corruption risk of the Groups.

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Function	Roles and responsibilities
Management	<ol style="list-style-type: none"> I. ABC Policy need to be implemented to all level of organization within the company and set the right “tone at the top”. II. To assign a competence person(s) with adequate resource to be responsible for the implementation and operation of the ABC Policy. III. Review an anti-corruption compliance program, which includes clear policies and objectives that adequately address corruption risks; and IV. Promote a culture of integrity within the Group.
Integrity & Governance	<ol style="list-style-type: none"> I. Ensuring the implementation of ABC Policy. II. Provide advice and guidance to the Group and business associates on the ABC policy and issues related to bribery and corruption. III. Assist the BOD and the Management in promoting integrity culture. IV. Reporting to the Board any significant anti-bribery and corruption issues. V. Ensure the establishment and performance of an internal control system which provides reasonable assurance that the corruption risks are managed. VI. Conduct Enhanced Due Diligence (if required). VII. Provide employees with adequate training to ensure they’re thoroughly understanding of the organization’s anti-corruption position, especially their role within or outside the Group; and VIII. To assist the BOD in conducting special review/investigations as and when requested.
Human Resources	<ol style="list-style-type: none"> I. Perform background checks for all new hires. The purpose is to establish a standard for hiring and promoting the qualified individuals with emphasis on prior work experience, past accomplishments and evidence of integrity and ethical behavior, demonstrate an entity’s commitment to competent and trustworthy people; and II. To ensure implementation of appropriate disciplinary actions in accordance with applicable Guidelines and Regulations.

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Function	Roles and responsibilities
Company Secretary	Perform background checks for all new hires of Board Members. The purpose is to establish a standard for hiring and promoting the qualified individuals.
Strategic Communication	To conduct due diligence before making a commitment to a sponsorship & donation requested by external stakeholders to ensure that the requests are legitimate and that any red flags raised are resolved prior to committing to the activity or funds.
Procurement	To conduct due diligence on any relevant parties i.e. vendors, contractors, supplier, consultant (if require)
Legal	To provide legal advice as and when requested by respective parties with regards to anti-corruption and bribery.
Risk Management	To assist risk identification and assessment of risk associated with corruption.
Internal Audit	<ol style="list-style-type: none"> I. To assess the performance, efficiency and effectiveness of anti-corruption program and ensure program is enforced. II. To assist the BOD and the Management in conducting investigations; and III. To report to the BOD and the Management on the internal control assessments, audit observations, investigations and related activities.

- b) In order to the Group to effectively address and manage the bribery and corruption risk, all employee at any level is expected to understand and comply with this policy. The roles and responsibilities of employees are as follows:

Function	Roles and responsibilities
Employee	<ol style="list-style-type: none"> I. To adhere to the standards and restrictions imposed by applicable laws and Terengganu Inc Group's rules and regulations. II. To have a basic understanding of corruption and bribery and be aware of the red flags. III. To support Terengganu Inc Group in managing corruption and bribery by reporting any suspected and / or real

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Function	Roles and responsibilities
	corruption incidents or non-compliance to the ABC policy; and IV. To read and understand policies and procedures with regards to anti-corruption compliance (i.e., Anti-corruption & bribery handbook, No gift policy, Code of Business Ethics and Whistleblowing Policy).

6.3 Corruption Risk Assessment

- a) Corruption Risk Assessment process helps the Group to structural weakness that may facilitate bribery or corruption.
- b) The Group should establish a process of identification, evaluation and management of corruption risk.
- c) The Group should conduct bribery and corruption risk assessment periodically and when there is change in law or circumstance of the business.

6.4 Undertake Control Measure

a) Due Diligence

- I. Due diligence is a process to screen internal and third parties and obtain the necessary information to assess these parties including identifying any red flags that may indicate potentially higher risks with regards to possible integrity or bribery risk.
- II. Due diligence may include a search through relevant databases, checking for relationships with public officials, self-declaration, etc. The results of the due diligence process must be documented and retained for at least **seven (7) years**; to be produced on request by the custodian of the process.


b) Anti-Bribery and Corruption Policies

The current Terengganu Inc Group's set of policies and framework provide the foundation to support the culture of good governance and Integrity. This includes but not limited to:

I. Code of Business Ethics ("COBE")

It sets out principles, practices and standards of personal and corporate behavior. The Group COBE among others describes broad guidelines on the following:

- Employee responsibilities.

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- Business practice.
- Conflict of Interests.
- Abuse of Information and Insider Trading; and
- Dealing with third parties, government and communities.

II. No Gift Policy

Giving or receiving gifts is often an important part of maintaining and developing business relationships. Terengganu Inc Group hold a "No Gift" Policy, although certain exceptions are allowed. Any allowable gifts shall be authorized, processed, and recorded in accordance with the Group No Gift Policy.


III. Sponsorship & Donation Policy

Improper or excessive donation and sponsorship may perceived as a form of bribe and corruption, may have negative impacts on the Groups such as legal consequences, financial losses or reputational damage. Directors and employees must ensure that all sponsorships and donations are not used as a subterfuge for bribery and corruption. Terengganu Inc Group has established a sponsorship & Donation Policy which sets out the principles and specific prohibition on donation and sponsorship made by the Group.

IV. Whistle-Blowing Policy

Terengganu Inc Group strongly encourage reporting of real and suspected cases or suspicious activities of bribery and corruption without the fear of retaliation or reprisal. Any alleged or suspected improper conduct of bribery and corruption can be disclosed using the following channel.

- Secured email address at **whistleblower@terengganu-inc.com** and the designated director's email (if any).
- By writing or to meet in person with the Head of Compliance and Integrity at Wisma TI, Chendering, 21080 Kuala Terengganu, Terengganu

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V. The Group has identified certain area which are also susceptible to corruption risk as follows:

- Facilitation Payment

Terengganu Inc Group adopts a strict policy of disallowing the use of any facilitation payments. Facilitation is a payment received or made to a decision maker or an administrative staff (in either public or private sector) to speed up a process or secure licenses/ permits, etc. The only exceptional situation for making a facilitation payment is when employees are in peril; facilitation payment is allowed for the safety of employees. However, employees must immediately report the event to the Head of Group Human Capital or Head of GCI.

- Support Letter


Terengganu Inc Group awards contracts and employee positions purely on a merit basis. Therefore, support letters in all forms shall not be recognized as part of any decision-making process.

- Recruitment of employee

Terengganu Inc Group recognizes the value of integrity in its employees. The Group's recruitment, training, performance evaluation, remuneration, recognition and promotion for all employees, including management, shall be designed and regularly updated to recognize integrity. Candidates will be selected based on the selection criteria as prescribed by the recruitment policy and procedure of respective company. The selection criteria shall include background searches to ensure that the candidate has not been convicted in any bribery or corruption case(s).

- Anti-Money Laundering ("AML")

AML is a process of converting cash or property derived from criminal activities to give it a legitimate appearance. Directors and employees are prohibited from engaging, either directly or indirectly, in any transaction that involves proceeds from criminal activities, including diversion, concealment, receipt, use or disposal of such proceeds.


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6.5 Systematic Review, Monitoring and Enforcement

- a) Internal Audit shall monitor and evaluate the performance, efficiency and effectiveness of ABC policy and program. Improvement opportunities could arise when a weakness is detected during the review.
- b) Integrity & Governance shall monitor the performance of the Group in relation to anti-bribery and corruption compliance and will report to the Board on Quarterly basis.
- c) Terengganu Inc Group may consider any independent third party at least once every three years to obtain assurance that the Group is operating in compliance with policies and procedure in relation to corruption.
- d) Terengganu Inc Group have the right to take disciplinary action against any employee found to commit a breach of this policy. Further to disciplinary taken, any employee who commits a bribery or corruption risks violating MACC Act 2009 and shall on conviction, be liable to penalty as stipulated under the Act.

6.6 Training and Communication

- a) The objective of training and communication is to ensure the Group's anti-bribery and corruption stances are conveyed to all employee and third parties.
- b) Employee training and awareness may include anti-bribery and corruption related policies, consequences of non-compliance, roles and responsibilities or any changing circumstances which may be relevant to the employees.
- c) Terengganu Inc Group may consider providing specific training to some business associates that may expose the Group to a higher risk, as any bribery or corruption actions conducted by the business associates with intent to obtain or retain business or a business advantage for the Group may cause the Group to bear a corporate liability in relation to Section 17A, Malaysian Anti-Corruption and Commission Act 2009 and its amendment.

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7.0 REFERENCES

7.1 This Policy shall be read together with any other applicable existing policies of the Group:

- a) Group Code of Business Ethics;
- b) Group No Gift Policy;
- c) Group Whistleblowing Policy;
- d) Group Anti-Bribery & Corruption Handbook; and
- e) Group Rules, Regulations and Disciplinary Procedures Handbook.

- End -