



ANTI-CORRUPTION POLICY

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ANTI-CORRUPTION POLICY

1. INTRODUCTION

We, TA Group of Companies (“TA Group”) are committed to conducting our business with integrity, trustworthiness, and accountability. The Management of TA Group continually promotes a culture of integrity within TA Group and stress the importance of a zero-tolerance approach to bribery and corruption in our actions and decisions, both internally and externally.

In line with TA Group’s core value on ‘Integrity’, Anti-Corruption Policy (“the Policy”) has been established to promote the growth of TA Group’s business activities to be free from corrupt practices.

Under Section 17A(3) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (MACC Act 2018), if the commercial organization is found liable under the corporate liability provisions, a person who is the director, controller, officer or partner of the organization or a person who is concerned with the organization’s management affairs at the time of commission of an offence, is deemed to have committed that offence unless such persons can prove that the corrupt act was committed without his consent or connivance and that he exercised due diligence to prevent that commission of the offence as he ought to have exercised, having regard to the nature of his function in that capacity and to the circumstances.

Therefore, there is a need for the company to put in place adequate procedures so that it can have a defence in case there is proven corruption by the associated person.

2. PURPOSE

The Management of TA Group recognises the importance of ethical values to achieve sustainable growth in both short and long term as well as supports a culture of integrity in pursuit of excellence.

Therefore, establishing appropriate policies and procedures to meet existing requirements and guidelines shall further prevent the occurrence of corrupt practices and enhance TA Group’s position in maintaining global’s trust and respect.

The Policy is intended to provide guidance and information on how to combat bribery and corruption. If in doubt on the scope of applicable laws or application of this policy, you should consult your immediate supervisor, Head of Department (HOD), Legal Department (Legal), Human Resource Department (HRD) and/or the Management.

3. SCOPE

The Policy applies to all companies within TA Group and includes Directors and employees of all levels and grades whether full-time, part-time, contract, temporary, interns and trainees.

In addition, the Policy shall extend to consultants, contractors, suppliers, customers, volunteers, agents, sponsors and any third parties with business dealings with TA Group. The supervisor/appropriate personnel of this class shall ensure that all their employees, sub-contractors and/or agents are aware of and comply with this policy, where applicable.

Consequences of engaging in bribery and corrupt practices can be severe for both the employees and TA Group. Any misconduct by employees shall be dealt with in chapter 3 (Disciplinary Procedures) of HRD's Operational Manual (OM).

A copy of the Policy is available in both TAE/TAG's websites and TA's iConnect.

4. REQUIREMENTS AND GUIDELINES

In line with the introduction of section 17A of the MACC Act 2018, the MACC has launched the Guidelines on adequate procedures pursuant to new section 17A(5) on 10 December 2018 (MACC Guidelines). MACC Guidelines set out adequate procedures in which a commercial organisation (CO) needs to have as a defence to a corporate liability charge under the MACC Act. If convicted, a CO is liable to a fine of not less than ten (10) times the value of the gratification or RM1million, or jail term of up to twenty (20) years or both.

MACC Guidelines is based on five (5) principles; i.e. T.R.U.S.T.

T - Top Level Commitment

R - Risk Assessment

U - Undertake Control Measures

S - Systematic Review, Monitoring and Enforcement

T - Training and Communication

5. POLICIES AND PRACTICAL MEASURES

This section shall be based on the five (5) principles as issued in MACC Guidelines;

i.e. T.R.U.S.T.

T - Top Level Commitment

R - Risk Assessment

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T→ TOP LEVEL COMMITMENT

i) Core Value on 'Integrity'

The Management's commitment towards ethical value is supported by our core value on 'Integrity' whereby emphasis is to promote a corporate culture on sincerity, transparency and fairness within TA Group.

ii) Whistleblowing Policy

Our Management is a strong advocate in transparency for our business transactions and activities to achieve a high level of integrity in TA Group. Therefore, the Management highly encourages whistleblowing which provides a few modes of communication; i.e. Personal meeting or reporting via telephone, post, email or online dropbox as specified in TA Group's Whistleblowing Policy.

iii) Approving Authorities (AA)

AA with appropriate limits are documented in the AA of respective departments and companies and regularly reviewed by relevant Management. This would provide clarity and accountability at each respective level for the companies and departments within TA Group.

iv) Audit and Risk Committee (ARC)

Final audit reports are presented and deliberated at the ARC meetings. In addition, key areas of risks which have been discussed during Risk Management Committee (RMC) meetings are recorded and reported to the ARC and be deliberated at the ARC meetings.

R→ RISK ASSESSMENT**i) Risk Management**

Risk Management Department (RMD) has been established for relevant companies within TA Group and reports to respective RMC.

Detailed risk registers, including corruption risk, are maintained and updated in the required timeframe as specified in the respective risk management policy, shall be reviewed and discussed during the respective RMC's meeting.

RMC established for subsidiary companies of TAE reports to TAE's RMC. Both RMC for TAE and TAG report to the ARC which in turn reports to the respective Board of TAE/TAG.

U→ UNDERTAKE CONTROL MEASURES**i) Due Diligence**

Due diligence exercise shall be carried out for appropriate transaction and relevant parties by personnel/department at respective company within TA Group.

For example:

- HRD conducts interview, perform background checks and verify relevant documents on applicants before offering employment.
- TA Investment Management Berhad shall conduct due diligence on the external business partners prior to launching the fund via a formal due diligence assessment form.
- TA Securities Holdings Berhad's Corporate Finance personnel adopts a due diligence review checklist and updated when required, to be in line with latest authority requirements and guidelines, and market/industry information/outlook.

ii) Gifts and Benefits Policy

TA Group has a strict policy on receiving and giving gifts and benefits which are consistent with local custom and culture.

For example:

- Employees/Directors are strictly prohibited from accepting cash, gratuities or concessionary/preferential offers (including shares) from Business Associates or members of the public.

- TA's corporate gifts may be offered to Business Associates. Any other gifts to be offered to Business Associates must have prior approval from TAE's MD&CEO. All gifts which are to be offered must be recorded by the respective HOD prior to distribution.
- Quarterly disclosure on gifts/benefits offered/received be submitted to the TAE's Risk Officer. Risk Officer shall review and monitor to ensure gifts/benefits offered/received are in accordance with the gifts and benefits policy and reports any inconsistency to the RMC, TAE's Board of Directors or TAE's MD&CEO, whichever applicable, for further deliberation.

iii) **Policies and Procedures**

Policies and key processes of the business operations are reviewed and revised in accordance to regulatory and operational requirements. Proposed revised draft are tabled for Board's approval at respective subsidiary companies and further endorsed by the Board of TAE/TAG.

iv) **Tender Procedure**

Appropriate tender procedure is in place for TAG and Tender Committee (TC) has been established to ensure an independent evaluation prior to any appointment. At least one (1) member of the TC must be present for each of the tender interview whereby the attendance is recorded. All tenderers are reminded during the tender interviews that the Management places great emphasis on integrity and tenderers are not allowed to give gifts or entertain any TAG's employees. Also, tenderers are informed of TA Group's Whistleblowing policy and encouraged to inform the Management should there be any misconduct by any TAG's employees. Types of improper conduct or wrongdoing are listed in the Whistleblowing policy and the Code.

v) **Outsourcing of Business Process**

Policies and procedures on outsourcing activities undertaken by companies in TA Group when a part or whole of its internal business processes is contracted out to a third party service provider, whether locally or overseas, are outlined in the OM on Outsourcing of Business Process. This includes, but not limited to risk assessment, due diligence review and evaluation process.

vi) **Minimum Quotation**

As a general policy in TA Group, a minimum of three (3) quotations must be obtained. Valid reasons must be provided if this condition cannot be met or is specifically allowed for this condition to be excluded due to other criteria or practicality reason.

vii) **AMLA**

Appropriate checks as required on prevention of money laundering and terrorism financing are carried out by relevant departments of respective companies within TA Group.

viii) **Political Contribution**

TA Group does not make contribution to political candidates or parties.

S→ SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT**i) Internal Audit Department (IAD)**

IAD plays an independent role in ensuring that the operations of TA Group are conducted in accordance with established policies, procedures and regulatory requirements. IAD shall evaluate and improve the effectiveness of governance, risk management and internal controls in carrying out its role with a risk-based audit approach. A strategic audit plan is developed for a 3-year audit cycle which is tabled to the ARC for review and approval.

ii) Compliance Officer

Compliance Department are established for relevant companies which are categorised as market intermediaries. Compliance Officer is appointed to oversee the Compliance Department of the respective company. Compliance Officer shall ensure the company meets regulatory requirements and has adequate internal controls for the company to function in an ethical manner. Compliance programs are reviewed and revised as required to assist Management in identifying and mitigating possible risks so as to maintain a positive reputation of TA Group.

iii) RMD

RMD shall identify and assess possible risks and work together with both IAD and Compliance Officer to mitigate risks whenever possible. RMC at subsidiary level conducts regular meetings to oversee and review the risk management process as well as to ensure that the risks are managed in accordance with TAE's risk strategy and appetite.

RMC's minutes with the risk reports of both TAE and TAG are forwarded to ARC for review and deliberation. ARC's discussions on these minutes and risk reports are recorded and forwarded to TAE/TAG's Board respectively.

iv) Code of Ethics and Conduct

TA Group has a comprehensive code of ethics and conduct (TA's Code) which new employee shall acknowledge by signing the form on the first day of employment. Any breach of TA's Code shall be dealt with in accordance to chapter 3 on disciplinary procedure of HRD's OM.

v) Assessment of Contractors/Suppliers/Consultants

Annual assessment are carried by those departments involved in engaging contractors/suppliers/consultants for their goods/services to ensure:

- They are appointed based on their merits, qualification and experience for the required goods/services.
- Scope of appointment are carried out accordingly.
- Their performance/delivery have been satisfactory and may be considered for future appointment/project.

The completed assessments are reviewed by the Management.

T→ TRAINING AND COMMUNICATION**i) Training**

Training on the understanding and importance of preventing corruption in TA Group is conducted for all levels, including the Management. Both in-house and external trainings are arranged to ensure those involved are aware of the importance in conducting a business transaction in a fair and ethical manner.

ii) Communication

TA Group has established an intranet, iconnect.ta.com.my (TA's iConnect), as a common communication platform for all employees of TA Group. TA Group's Code, Whistleblowing policy and Anti-Corruption policy are available on TA's iConnect as well as TAE's and TAG's websites. All new employees are given an induction course which include, but not limited to presentation on TA's Core Values, TA's Code and AMLA.

In the effort to create continuous awareness on the Policy, there shall be an article on issues related to TA's Anti-Corruption Policy and/or MACC Act/requirements which are emailed to all TA Group's employees.

6. CORPORATE SOCIAL RESPONSIBILITY PROJECTS, SPONSORSHIP & DONATIONS SUPPORT OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR Projects, Sponsorship and Donations in Support of CSR projects and the use of Sponsorships and Donations (collectively "contributions"), are part of our contribution to the wellbeing of the communities and the environment in which we operate. Such contributions, however, can never be promised, offered or made to secure a business advantage or for any other improper purpose such as to bribe or self-enrich. Before offering, promising or making any contribution to CSR projects, a Sponsorship or a Donation you must ensure the contribution complies with the CSR projects, Sponsorships and Donations Directive.

7. RECORD KEEPING

Adequate and relevant record shall be maintained for seven (7) years by appropriate personnel/department to ensure transactions are executed in accordance with appropriate authorization. Supporting documents such as invoices, memoranda and other documents and records relating to dealings with third parties should be prepared and maintained with accuracy and completeness.

8. CONFIDENTIALITY OF INFORMATION

All information received shall be treated with confidence. Information on the identity of the individual who reports fraudulent activities will not be released without prior consent of the individual. Investigation status/results must not be disclosed or discussed with anyone other than those who have a legitimate need to know.

9. DEFINITIONS

Definitions of words in relation to corruption are as specified in MACC Act/Guidelines.

10. RED FLAGS

This list is not exhaustive and all employees should be alert to other indicators that may raise a suspicion of corrupt activity. Employee must report to the immediate supervisor/HOD/HRD if any of these indicator is encountered.

The following is a list of "red flags" that may indicate the possible existence of corrupt practices and is for illustration purpose only:

- i) Unexpected additional fee or commission to “facilitate” a service.
- ii) Payments to be made through third party account, or to a country/geographic location different from where the Third Party resides or conduct business.
- iii) Demanding lavish gifts or hospitality before commencing or continuing contractual negotiations or provision of services.
- iv) Third-Party refuses to divulge adequate information during due diligence procedures and requests an unexpected additional fee or commission to "facilitate" a service.
- v) Private meetings requested by public contractors or companies hoping to tender for contracts.
- vi) Not following policies or procedures – abusing the decision-making process.
- vii) Unexplained preferences for certain contractors/refuses to put terms agreed in writing.
- viii) Invoices rendered or paid in excess of contractual amounts.
- ix) A third party engages in, or has been accused of engaging in, improper business practices.
- x) A third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials.
- xi) A third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us.
- xii) A third party requests that a payment is made to "overlook" potential legal violations.
- xiii) A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us.
- xiv) Unreasonable fee to provide consultancy services.

11. REPORTING AND INVESTIGATION

Any corruption that is detected or suspected must be reported to the appropriate HOD/HRD/Management. Alternatively, if the circumstances are such that reporting a suspicion is inappropriate, or if the person to whom it is reported is unable to assist, the issue may be reported to the following confidential channel as provided in TA's Whistleblowing policy:

- Whistleblower Dropbox at TA's iConnect/websites of TAG/TAE
- By email to whistle@ta.com.my
- By post marked "Private & Confidential" to Executive Chairman/MD&CEO, TA Enterprise Berhad/TA Global Berhad, 34th Floor, Menara TA One, 22, Jalan P. Ramlee 50250 Kuala Lumpur

The investigation shall be carried out by the IAD or other designated independent supervisory function as directed by the ARC. All investigations shall be tabled to the ARC for their review. The ARC shall update the Board of Directors on reports that require their attention and approval.

12. REVIEW

In maintaining best practice, the contents of the Policy shall be reviewed by the Management at least once a year and be revised, if required, to improve its effectiveness in combatting corruption.

13. EXCEPTIONS AND MODIFICATIONS

In the unlikely situation where an exception or modification to the principles set out in the Policy be required, the request for exception must be made in good faith and submitted in writing to the superior or person in-charge.