

CONFIDENTIAL



TERENGGANU INCORPORATED GROUP

ANTI-CORRUPTION (AC) HANDBOOK

Prepared & Compiled by:

INTEGRITY & COMPLIANCE UNIT

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ABBREVIATION

AC Handbook	Anti-Corruption Handbook
ARMC	Audit and Risk Management Committee
Board	Board of Directors
CGO	Chief Governance Officer
COBE	Code of Conduct and Business Ethics
DRO	Designated Receiving Officer
GD	Governance Division
MC	Management Committee
RO	Receiving Officer

PREFACE

I. Application and Coverage of the handbook

- a. The handbook applies to all companies within Terengganu Inc. Group and companies under the control of Terengganu Inc.
- b. The handbook should be applied according to any relevant internal or external guidelines/ circulars issued by the governing authorities.

II. Compliance

- a. Compliance with this handbook is mandatory. The non-compliance shall subject to disciplinary action.
- b. In the absence of written policies or when in doubt, appropriate authorities should be consulted. Absence of policy does not by itself imply that an action is either permitted or forbidden.

III. Assessment Implementation and Maintenance

- a. The handbook shall be under the care of Integrity Unit and to be reviewed on a twice-yearly basis; or as and when major changes occur.
- b. The completion and revision of the handbook shall require Board and Audit & Risk Management Committee (ARMC)'s approval.
- c. Any clarification or update to the handbook shall be issued by Integrity Unit by way of circulars.

IV. Confidentiality and Control

- a. This handbook is issued by Integrity Unit and is the property of the company. The contents must be treated as highly confidential.
- b. Integrity Unit must ensure that all staff of the company and subsidiaries has access to this handbook and its subsequent updates.
- c. A hard copy of the handbook must be safely kept in the division/department/unit and be made easily accessible to all staff for reference.
- d. However, it must be emphasized that the information obtained by them from this handbook must not be divulged nor photocopied and given to any other persons. A breach of this rule will result in disciplinary action.

V. Empowerment

Integrity Unit is empowered by the ARMC and Management Committee (MC) to develop, review and implement the handbook.

VI. Inspection

The handbook must be available for inspection by the visiting teams from Internal Audit, External Audit and other relevant inspectors.

CHAPTER 1 INTRODUCTION

Terengganu Inc. Group applies "Zero Tolerance" Policy against corruption, bribery, embezzlement and abuse of power. In enforcing this policy, Terengganu Inc. formulated this Anti-Corruption (AC) Handbook. The AC Handbook is a document that detailing the guidelines for the enforcement of the Terengganu Inc. Group's COBE. It provides employees and directors with guidelines on how to control and deal with corruption, bribery, embezzlement and misuse of power that may arise along the business activities. It also covers internal and external improper solicitation that will lead to corruption.

The AC Handbook shall apply to each employee and director of Terengganu Inc. Group and all parties with whom Terengganu Inc. Group has a current or potentially to have a business relationship with. As a part of application and compliance, any failure by external parties to comply with the principles and standards set, may result in termination of the contract and other subsequences at any point of time.

Terengganu Inc. Group AC Handbook is not intended to provide definitive answers to all cases related to corruption, bribery, embezzlement and abuse of power. Instead, it was created to give a basic understanding on how Terengganu Inc. Group in combating them.

"PREVENTION IS BETTER THAN CURE"

Definition

- **"You"**- refers to whom this Handbook applies.
- **"We/Our"**- refers to parties who have official power to make legal decisions (Terengganu Inc. Group).
- **"Employees"**- any person who is in employment of Terengganu Inc. Group. It includes, Managers, General Managers, and Senior Managements

CHAPTER 2 **GIFT AND ENTERTAINMENT**

"No Gift" Policy

Terengganu Inc. Group has adopted "No Gift" Policy, subjected only to certain narrow exception, Terengganu Inc. Group employees, directors (executive and non-executive) and agents acting for or on behalf of employees and directors, or their family members are **prohibited** from, directly or indirectly, receiving or providing gifts.

Although gifts can build goodwill and strengthen the relationships with our business partners, gifts can also create a perception of conflict of interest that can undermine the integrity of our business relationships.

Conflicts of interest arise in a situation where an individual is in position to take advantage of his/her roles in Terengganu Inc. Group for his/her personal benefits, including the benefit of his/her family /household and friends.

Employees and Directors of Terengganu Inc. Group are required to enforce this policy at all times. They are responsible to inform and to educate all parties who involve in an, business dealing with Terengganu Inc. Group that we are practicing the "No Gift" Policy.

Providing Gifts

Generally employees and directors are **prohibited** to give gifts to third parties with the exception where the gift to be given must be legal, reasonable, and approved by relevant approving authority. The gift given by the employee and directors must be on behalf of Terengganu Inc. Group.

Receiving Gifts

It is the duty of each employees and directors to avoid the receipt, either personally or by or through family members or other acquaintances, of gifts, benefits, or unusual hospitality which are given for the purpose of, or which might have the effect of or appearance of, influencing the employees judgment in performing duties.

Although in general principle Terengganu Inc. Group is practicing "No Gift" Policy, in a limited circumstance, receiving a gift on behalf of Terengganu Inc. Group is permissible. Where it may be impractical, harmful or may sever Terengganu Inc. Group business relationship with counterparty if we refuse or return the gifts. However, employees, directors or his/her family and household members are **strictly prohibited** to accept gifts in the form of cash or cash equivalent at any point of time.

In these limited circumstance i.e. to accept the gift, employees are required to immediately record the gift in the Recognition Form (See in **Appendix I**) for submission to Head of Department who will then decide whether to approve the acceptance of the gift or require it to be returned. Directors should inform the Corporate Secretary, as soon as reasonably practicable, to seek his/her advice when faced with similar situation.

Even it might seem disrespectful to refuse the gift, nevertheless, if there is a conflict of interest situation (e.g. bidding is in progress and the company that gave the gift is one of the bidders) then Head of Department will never be allow to approve the acceptance of the gifts (in the case of directors, the Company Secretary would advise the same). The gift shall be returned to the bestower together with a note of explanation of our "No Gift" policy.

If the Head of Department approves the acceptance of the gift, he/she must also decide whether to:

- I. Donate to charity; or
- II. Share equally with co-workers; or
- III. Hold it for departmental display; or
- IV. Permit it to be retained by the employee; or
- V. Return to donor.

In deciding the option, Head of Department is required to exercise proper care and judgment in each case, taking into account important circumstances e.g. the character of the gift, purpose, the position/Seniority of the person providing the gift, the business context, reciprocity, applicable laws and cultural norms.

Employees and directors are strictly prohibited from accepting any job related rewards, kickbacks, bribes, commissions, donations, discounts, gratuities or any other reward form, which would lead to undermine the integrity of the decision-making process.

Exceptions

Terengganu Inc. Group is allowed to **provide** and **receive** the gift to external parties as follows:

- I. Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company visit/courtesy call and thereafter said gift is treated as company property);
- II. Gifts from Terengganu Inc. Group to external institutions or individuals in relation to the company's official functions, events and celebration (e.g. commemorative gifts or door gifts offered to all guests attending the event);

- III. Gifts from Terengganu Inc. Group to employees and directors and/or their family members in relation to an internal or externally recognized Company function, event and celebration (e.g. in recognition of an employee's/director's service to the company);
- IV. Token gifts of nominal value normally bearing the Terengganu Inc. Group or Company's logo or (e.g. t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the company's brand building or promotional activities; and
- V. Gifts to external parties who have no business dealing with Terengganu Inc. Group (e.g. monetary gifts or gifts in-kind to charitable organizations).
- VI. Notwithstanding the above mentioned, the **value of gifts shall not exceed RM500** or equivalent.

These exceptions however, require employees and directors to undertake proper judgment in handling gift activities and comply with Terengganu Inc. Group COBE, where:

- Integrity must be hold of all time;
- Proper care and be judgmental;
- Avoid conflict of interest;
- Do not take any advantage upon position hold; and
- Comply with the laws, regulations, Shariah requirements and Terengganu Inc. Group policies.

Entertainment

Providing and receiving business entertainments must not have any possibility to influence employees in performing duties on behalf Terengganu Inc. Group.

Providing Entertainment

Employees and directors are allowed to provide entertainment subjected to the following conditions:

- Eligible to provide by employees or directors as per Human Capital policy.
- Must obtain prior approval from Head of Department by register and declare the following via Recognition Form:
 - What is the purpose;
 - How many people involved;

- Where is the location; and
- How much it cost (estimation).
- On best effort basis, entertainment event should be represented by at least 2 (two) personnel from Terengganu Inc. Group.
- Providing entertainment is eligible for Terengganu Inc. Group corporate visitors, guests or clients (individual or representative of organization).
- Providing entertainment to individual or representative of organization where Terengganu Inc. Group is in the process of bidding their contract or project is **strictly prohibited**.
- Notwithstanding the above, the value of entertainment must be:
 - Legal, comply with Shariah rules & principles and must not create or potential to create negative image or public perceptions e.g. business meal, sport events, etc.
 - **Reasonable and not exceed RM300 per head** or equivalent.

Any acts that break this nature, whether to provide directly or indirectly, will be identified as an act of corruption and violate the Terengganu Inc. Group's AC policies.

Receiving Entertainment

Employees and directors are allowed to receive entertainment subjected to the following conditions:

- Employees and directors must be on official duties of Terengganu Inc. Group.
- Entertainment from individual or representative of organization who is in the process of bidding contract or project from Terengganu Inc. Group is **strictly prohibited**.
- Must obtain prior approval from Head of Department by register via Recognition Form.
- On best effort basis, entertainment event should be represented by at least 2 (two) personnel from Terengganu Inc. Group.
- Notwithstanding the above, the value of entertainment must be:
 - Legal, comply with Shariah rules & principles and must not create or potential to create negative image or public perceptions e.g. business meal, sport events, etc.
 - **Reasonable and not exceed RM300 per head** or equivalent.

Any acts that break this nature, whether to receive directly or indirectly, will be identified as an act of corruption and violate the Terengganu Inc. Group's AC policies.

CHAPTER 3 **CORPORATE SOCIAL RESPONSIBILITIES**

The purpose of these policies is to ensure Terengganu Inc. Group consistently operates in a manner that minimizes detrimental impacts to society and the environment. However it is essential for Terengganu Inc. Group for having prior authorization by the relevant authorized personnel, or committee upon any contribution.

Corporate Social Responsibilities (CSR)

As one of the prominent investment company in Terengganu, Terengganu Inc. Group often receive application for social investment activities in this state.

As part of our commitment to corporate social responsibilities we felt the need of those helps. However the application must be well analyzed for authenticity and may not potentially harm our business.

Recipient must be a legitimate organization and appropriate background check must be conducted in order to ascertain whether the recipient organization was affiliated with any public officials and ensure that the benefits reach as what they are intended.

Any red flags must be resolved prior committing any activities. If you have any doubt whether the charitable contribution or social benefits is appropriate or not, do consult with Corporate Communication or equivalent function.

Sponsorship and Donation

As set out in COBE, employees must assure the sponsorship and donation given not as a trick for committing bribery and or as an alternative to twist any of the provisions of the COBE, including in particular, the prohibition on bribery.

Terengganu Inc. Group must also ensure that any recipients that are foreign-based charity are not disguised, and not trying to commit violation of international anti-money laundering, anti-terrorism and other laws.

Terengganu Inc. Group must assure any sponsorship and donation complies with the followings:

- The contribution are legally permitted;
- Hold all of the necessary authorizations;
- Stated accurately in accounting books and records of Terengganu Inc. Group;
- Are not used as part of covering undue payment or bribery.

Terengganu Inc. Group is **strictly prohibited** to grant donation to any political party.

However, good faith donation to government entities, clubs, associations and community centers e.g. school, mosque, library etc. which are approved by the relevant regulatory bodies and comply with the laws and regulations, are allowed.

Background Check

Background check is a procedure that must be undertaken by Terengganu Inc. Group in order to satisfy a legal requirements prior committing sponsorship and donation.

Corporate Social Responsibilities, Sponsorship and Donation commit by Terengganu Inc. Group should meet the following criteria:

- Funds disbursed to activities that has been approved by the Board or relevant approving authority;
- Shall not be exposed with any risk that could undervalue Terengganu Inc. Group;
- Recipient is a legitimate organization;
- Recipient must not have any relationship with public officials.

If the request meets all of the above criteria, employees can proceed to prepare a recommendation or memorandum seeking management's approval as per the Delegation of Authority Limit (DAL)* Manual. Background check must be properly documented for reviews.

* DAL is the decisions that certain employees can make in a business. This includes exchanges and refunds. In certain situations, employee must confer with a higher level of authority, before taking a decision.

Employees are expected to have a proper judgment in assessing the sponsorship and donation. Employees have to make sure that any act taken complies with Terengganu Inc. Group's AC policies. Should there is any uncertainty arose, employees are expected to seek advice from Governance Department of Terengganu Inc.

CHAPTER 4 **FACILITATION PAYMENT**

Making Facilitation Payment

Facilitation payment is a payment made to a person, public or government official that acts as incentive for the official to complete some action or process expeditiously, to the benefit of the party making the payment.

Facilitation payment is a type of kickbacks, which has been classified as committing bribery and corruption. Hence, facilitation payments are **strictly prohibited** for Terengganu Inc. Group's employees and directors at any point of time. Facilitation payment is not only limited to cash value but in any forms of reward that potentially influence our judgment in performing duties.

It is the duty of each employees and directors to avoid provision or recipient, either personally or by or through family members or other acquaintances, of facilitation payment, benefits, or advantage which are given for the purpose of, or which might have the effect of or appearance of, influencing the our judgment.

As part of initiatives that shall be taken by Terengganu Inc. Group to prevent the abruption of facilitation payment awareness, Terengganu Inc. Group must conduct a regular inspection on implementation of facilitation payment policy.

In the event employees and directors receive a request or offered to do so, employees must immediately report to Head of Human Capital.

Exception for making facilitation payment

The only exceptional situation for making facilitation payment is when employees were in peril; facilitation payment is allowed for the safety of employees. However, employees must report to Head of Human Capital immediately.

CHAPTER 5 **MONEY LAUNDERING**

Money laundering is defines as the concealment of the origins of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses.

Employees are prohibited from exercising activities related to money laundering, including any other criminal activities. Employees must note that money laundry is a serious crime where the laws governing this crime are applicable across country.

As a prevention from violating anti-money laundering, employees must conduct due diligence of counterparty in order to satisfy a legal requirement prior committing services. Due diligence must be properly documented for reviews.

Initiative to empower anti-money laundering governance might includes:

- Conduct a program to train employees for better exposure and understanding on anti-money laundering policy;
- Employees whose involve in decision making regarding to consideration of counterparties agreement should familiar with laws and regulations related to money laundering.
- Employees must report to Head of Risk Management any suspicious behavior that potentially to be money laundering.

CHAPTER 6 **DEALING WITH THIRD PARTIES**

Dealing with Third Parties

Employees must comply with laws and consistent with Terengganu Inc. Group policies e.g. COBE upon dealing with third parties. Third parties include any external parties that have a business relationship with Terengganu Inc. Group; for instance, agents and other intermediaries. All agreements with third parties require approval in advance from relevant approving authorities.

Prior to dealing with third parties, employees are expected to conduct appropriate counterparty due diligence in order to satisfy that the counterparty follows legal requirement and they have subscribed to acceptable standard of integrity in business conduct. Due diligence must be properly documented for reviews.

Meeting with third parties alone is **strictly prohibited**; shall be represented by at least 2 (two) personnel. The meeting must be held in the office whether in Terengganu Inc. Group' office or suppliers/contractors' office.

Employees and directors are expected to have a proper judgment in dealing with third parties. Employees have to make sure that any act taken complies with Terengganu Inc. Group's COBE and AC policies. Continuously monitor on the performance and compliance of third parties aligned with Terengganu Inc. Group policies.

Terengganu Inc. Group also must require third parties to keep proper books and records available for inspection by Terengganu Inc. Group itself, auditors and investigating authorities. Terengganu Inc. Group has the right to access the records, cooperation in investigations and similar matters pertaining to the contract. Should there is any violation by the third parties, Terengganu Inc. Group are allowed to terminate the contract at any point of time.

If there is any uncertainty emerges, employees are expected to seek Chief Governance Officer for further advice.

Payments to Third Parties

However, when it comes to agents or other intermediaries, the nature and amount of compensation to be paid to a third party service needs to be thoroughly analyzed and mitigated prior to engaging with an intermediary. Compensation paid to agents and intermediaries must be appropriate and justifiable remuneration for legitimate services rendered.

All payments to third party must have prior approval from the relevant approving authority. Cash payment is **strictly prohibited**. Terengganu Inc. Group must keep

accurate records of all the transactions with third parties, including the amount paid, trip expenses, proof of services rendered, etc.

Dealing with Contractors and Suppliers

Employees must comply with laws and consistent with Terengganu Inc. Group policies e.g. COBE upon dealing with contractors and suppliers. Terengganu Inc. Group's employees are expected to uphold highest standard of integrity of all times.

Dealing with any contractor or supplier who potentially or suspected to violate Terengganu Inc. Group's AC policies should be avoided. Screening will take place via due diligence as established. Due diligence must be properly documented for reviews.

Terengganu Inc. Group must ensure all activities are in line with acquisition procedure and policies that are applicable in accordance with the jurisdiction, which include:

- Due diligence of contractors and supplier prior acquisition activities.
- Ensure that contractors and suppliers will not engage with improper practice and adopt anti-corruption policy.
- Contractors and suppliers must be well informed and comply with Terengganu Inc. Group policies. These include COBE and AC policies.

If at any point during the due diligence is exercise, or in dealings with contractors and suppliers, there is conflict of interest or "red flags" raised, further investigation needs to be dealt prior involvement. Examples of common "red flags" involving third parties include:

- The transaction occurs or involves in a country which known for a high incidence of corrupt payments.
- Family, business or other "special" ties with government or public officials.
- Objections to representatives of anti-corruption in the commercial agreement or the negative reaction when told of the requirement.
- Convoluted payment like payment in cash, payments to third parties or to the accounts in other countries or to request an advance payment for expenses or other fees.
- The third party requires that his/her identity not be disclosed as part of the business transaction.
- Insufficient qualifications for the nature of engagement or lack of an establish business office or venue.
- Refuse to sign off the Integrity Pact.

Respective employees are expected to continuously monitor on the performance and compliance of contractors and suppliers aligned with Terengganu Inc. Group's policies. Terengganu Inc. Group has the right to access the records, cooperation in investigations and similar matters pertaining to the contract. Should there is any

violation by the external parties, Terengganu Inc. Group are allowed to terminate the contract at any point of time.

Due Diligence Checklist for Contractors and Suppliers

Terengganu Inc. Group must follow the following procedures when dealing contractors and suppliers:

- Perform risk assessment using risk based approach;
- Conduct a due diligence in accordance to their level established by the risk analysis;
- Prepare and maintain appropriate written documents of the due diligence and the risk assessment conducted.

Mergers and Acquisition, & Investment

Mergers and acquisition transactions and investment by Terengganu Inc. Group must under through screening process via due diligence in accordance with Terengganu Inc. Group procedure prior conducting any service or launching contracts with external parties. Terengganu Inc. Group must ensure external parties are complying corruption laws.

Transparency International has provided the guidance on anti-bribery and anti-corruption due diligence in the course of mergers, acquisition and investment which as follows:

Due Diligence – Pre Acquisition

- I. Anti-corruption due diligence is considered on the basis of proportionate for all investments but to a risk-based approach, with the level of due diligence in accordance with the investment and the perceived likelihood of risk of bribery.
- II. Level of anti-corruption due diligence for a transaction that is commensurate with the risk of corruption.
- III. Anti-corruption efforts should begin early enough in the process of due diligence in order to allow sufficient due diligence to be carried out and the findings to influence the outcome of the negotiations or stimulate further evaluation if necessary.
- IV. Partners and board supervise the due diligence reviews.
- V. Information obtained during the anti-corruption due diligence is delivered efficiently and effectively to the management company once the investment has been made.

Due Diligence – Post Acquisition

- I. To carry out due diligence on a proportional basis immediately after purchase to determine whether there is any corruption present and if so, take prompt remedial action.
- II. Ensure targets have or adopt anti-bribery and corruption program similar enough to its own.
- III. Corruption detected through reasonable efforts reported to the authorities.

Joint Venture Partners

In a circumstance where joint venture partner might possibly violate the laws and regulations, Terengganu Inc. Group must ensure the joint venture partner comply with our high standards of integrity and policies. These include COBE and AC policies.

As Terengganu Inc. Group has no rights in controlling joint venture partner operations, we should:

- Alert with any activity that are illegal or potential to be. Such activity must be reported to Chief Governance Officer;
- Require a written representation of anti-corruption policies adopted by joint venture partner on an annual basis.

Legal Documentations

Signing the Integrity Pact is a mandatory requirement to all contracting parties. Please refer to **Appendix II** for the implementation process of Integrity Pact. All dealing with third parties must be legalized by the relevant legal documentations including the **Integrity Pact** (refer to **Appendix III**).

CHAPTER 7 **RECRUITMENT OF EMPLOYEES**

Recruitment process as conducted by Terengganu Inc. Group is to ensure that only high caliber and competent personnel, as well as having interpersonal skills and high standards of integrity are recruited through a structured recruitment process.

Candidates are expected to have no record convicted with corruption and bribery as to ensure they are aligned with our policies standards. Best candidate will be selected based on selection criteria as stated in the recruitment policies and procedures of respective company.

Employees are obliged to adopt our COBE at all times. Failure to so will result in disciplinary actions.

CHAPTER 8 **WHISTLEBLOWING POLICIES**

Terengganu Inc. Group always committed to improve quality of service to strive for a better management and full of integrity. The establishment of whistle-blowing policy is to provide the information and explanation on the process of receiving complaint, investigation, and preparation of report and action that will be taken upon any offender.

Besides, the implementation of this policy is a move to combat corruption and misconduct in Terengganu Inc. Group as provided by law or in a code of conduct, code of ethics or a circular or an employment contract in accordance with any applicable worksheets.

One of the specific initiatives in curbing corruption, malpractice and breach of discipline is to enforce Whistle-blowing policy. Whistle-blowing policy is implemented to receive complaints and provide opportunities for the public or citizens to report any corruption, bribery, embezzlement and abuse of power involving Terengganu Inc. Group's employees and directors.

Employees, directors and stakeholders/public at large are encouraged to whistle blow any (Fraud, bribery, theft or embezzlement, conflict of interest, abuse of power and misuse of company's property) involving Terengganu Inc. Group through the following channel:

- I. Formal letter
- II. Phone (extension)
- III. Email

To Receiving Officer (CGO/DRO/DRIC I/DRIC II)

Whistleblowing Flowchart, Procedures, Protection to Whistleblowers, and Roles have been briefly described and illustrated in **Appendix IV, Appendix V, Appendix VI, and Appendix VII** respectively.

RECOGNITION FORM

THIS FORM MUST BE COMPLETED BY HANDWRITTEN OR COMPUTER IN **TWO COPIES**.

PLEASE TICK ACCORDINGLY:

☐

GIFT

☐

ENTERTAINMENT

☐FACILITATION
PAYMENT**A. EMPLOYEE'S DETAILS:**

NAME : _____
NRIC NO. : _____
DESIGNATION : _____
DEPARTMENT : _____
ADDRESS : _____

B. EXTERNAL PARTY'S DETAILS:

NAME : _____
ADDRESS : _____

RELATIONSHIP : _____

C. ACTIVITY'S DETAILS:

TYPE : _____

ESTIMATED AMOUNT : _____
DATE : _____
PURPOSE : _____

D. EXTRA DETAILS
(If Any)

: _____

E. DECLARATION:

I'm _____ hereby declare that the above is true.

Date: _____

(Employee's Signature)

FOR OFFICIAL USE

F. OFFICIAL RESULT (RESTRICTED FOR GIFT CASES ONLY):

- I. Donate to charity
- II. Share equally with co-workers
- III. Hold it for departmental display
- IV. Permit it to be retained by the employee
- V. Return to donor

G. OFFICIAL REVIEWS BY HEAD OF DEPARTMENT/HUMAN CAPITAL/CHIEF GOVERNANCE OFFICER

Date : _____

(Officer's Signature)

Name : _____

Designation: _____

INTEGRITY PACT IMPLEMENTATION PROCESS FLOW FOR TERENGGANU INC. GROUP EMPLOYEE

Stage	Work Process
Stage 1 Upon reporting for duty	<p>Every employee who is directly or indirectly involved in Terengganu Inc. Group procurement activities shall be required to sign the "Declaration by Terengganu Inc. Group Employee" Form(Appendix III-a). This is to be executed when the officer reports for duty or assumes the duties and the form shall be kept in the employee's personal file.</p> <p>Respective Head of Department shall ensure that employees under his/her supervision execute the declaration before assuming duties or engaging in procurement activities. The Head also responsible to ensure that the forms are duly kept and filed.</p>
Stage 2 Annual Declaration	<p>Head of Procurement or equivalent shall ensure that all employees that are involved in procurement activities shall renew the Declaration as per Appendix III-a on annual basis i.e. on 31 December on each year. The said Declaration shall be duly kept and filed in employee's personal file.</p>

**STAGES INTEGRITY PACT IMPLEMENTATION PROCESS FLOW FOR
MEMBERS OF PROCUREMENT COMMITTEES**

Stage	Work Process
Stage 1 Upon appointment as Committee Member	Every individual appointed as Chairman, Member or Alternate Member to the Procurement Committee should execute the "Declaration By Procurement Committee" as Appendix III-b . A copy of the declaration is to be kept by the Secretary of the relevant Procurement Committee.
Stage 2 After every sessions or meetings	Every appointed Procurement Committee shall execute the "Declaration By Procurement Committee" as per Appendix III-c after every session attended relating to the procurement activities or meetings. A copy of the declaration is to be kept by the Secretary of the relevant Procurement Committee.

INTEGRITY PACT IMPLEMENTATION PROCESS FLOW FOR SUPPLIERS/CONTRACTORS

Stage	Work Process
Stage 1 Upon registration as Terengganu Inc. Group Supplier/ Contractor	Supplier/Contractor to submit the Declaration form as per Appendix III-d to Terengganu Inc. Group within three (3) working days from receipt of Registered Supplier/Contractor Certification.
Stage 2 Upon renewal of Supplier/Contractor registration	The Supplier/Contractor to update the Declaration as per Appendix III-d each time registration is renewed.
Stage 3 Upon Purchase and Submission of Tender Documents Until Official Award	The Suppliers upon submission of tender/quotation documents must ensure the Supplier's/Contractor's Declaration as per Appendix III-e is duly completed and signed and is attached with the tender/quotation submitted.
Stage 4 Upon execution of the Letter of Acceptance by the successful Supplier/Contractor	The successful Supplier/Contractor is to ensure that the Successful Supplier's/Contractor's Declaration as per Appendix III-e is duly completed, signed and attached with the Letter of Acceptance and returned to Terengganu Inc. Group.
Stage 5 Upon execution of the procurement agreement by successful Supplier/Contractor and Terengganu Inc. Group	Procurement Unit or equivalent is required to ensure that the provision on corruption as attached in Appendix III-f is included in all procurement/contract documentations.

INTEGRITY AGREEMENT

DECLARATION BY TERENGANU INC. GROUP EMPLOYEES
(UPON REPORTING FOR DUTY AND ANNUAL DECLARATION)

1. I, _____ Staff No. _____

NRIC No. _____ of _____

[name of Division] hereby declare and undertake as follows:

- a) Shall not directly or indirectly solicit, receive or obtain or agree to receive or obtain for myself or for any other person any money, goods or service(s) or any gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] as a consideration or reward for the decision, opinion, recommendation, vote or other favors to be selected in the aforementioned tender/quotation*;
- b) Shall not collude with any bidder(s), Suppliers/Contractors or any other individual(s), in any type of practices including but not limited to "bid rigging" and corruptly procuring withdrawal of tender that may affect the transparency and fairness during any procurement process or activities and during the contract implementation period;
- c) Agree to keep confidential all proprietary information and documentations relating to the tender and/or contract in strictest confidence and hereby covenant to take all reasonable measures to protect the secrecy of and avoid disclosure or use of such proprietary information and/or documents to any unauthorized party;
- d) I hereby declare that none of my family member(s) or relative(s) as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] has any interest in any bidder(s) and/or Suppliers/Contractors in the foreseeable tender/quotation under my supervision and/or knowledge and if there is any in the future, I shall immediately declare it with details to the Head of Procurement or equivalent and abstain myself from participating in the aforementioned tender/quotation exercise and/or any task related thereto;

- e) In the event whether directly or indirectly where there is any individual(s) of the bidder(s) or representing the bidder(s) or any other individual(s) who offer, give, or agree or promise to give any money, goods or service(s) or any form of gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] for being selected for the aforementioned tender/quotation, I shall immediately report such matters to Terengganu Inc. Group's Management or relevant authority(s);
- f) Shall at all material time abide by Terengganu Inc. Group's Code of Conduct and Business Ethics, Procurement Ethics, Anti-Corruption Policies and any other Terengganu Inc. Group's policies applicable during the tender/quotation process and the execution of a formal agreement and its implementation thereof; and
2. I agree that this declaration obligation shall remain in full force and effect during my service with Terengganu Inc. Group.
3. I duly understand that the failure to comply or breach of any terms of the declaration stated above may result in criminal and/or civil proceedings and/or disciplinary action taken against me up to and including termination or dismissal.

(Signature)

(Signature)

.....
Name:

Staff No:

Designation:

Date:

.....
Name of Witness:

Staff No:

Designation:

Date:

INTEGRITY AGREEMENT

DECLARATION BY MEMBERS OF PROCUREMENT COMMITTEES
(UPON APPOINTMENT AS PROCUREMENT COMMITTEE)

1. I, _____ Staff No. _____
NRIC No. _____ of _____
[name of division] has been appointed as Chairman/Member of _____
and hereby declare
and undertake as follows:

- i. Shall not directly or indirectly solicit, receive or obtain or agree to receive or obtain for myself or for any other person any money, goods or service(s) or any gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] as a consideration or reward for the decision, opinion, recommendation, vote or other favors to be selected in any tender/quotation that are submitted to the abovementioned Committee;
- ii. I shall not collude with any bidder(s), Suppliers/Contractors or any other individual(s), in any type of practices including but not limited to "bid rigging" and corruptly procuring withdrawal of tender that may affect the transparency and fairness during any procurement process or activities and during the contract implementation period;
- iii. I agree to keep confidential all proprietary information and documentations relating to the tender and/or contract in strictest confidence and hereby covenant to take all reasonable measures to protect the secrecy of and avoid disclosure or use of such proprietary information and/or documents to any unauthorized party;
- iv. I hereby declare that none of my family member(s) or relative(s) as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] has any interest in any bidder(s) and/or Suppliers/Contractors of any tender/quotation submitted to the abovementioned Committee and if there is any, I shall immediately declare it with details to the Head of Procurement or equivalent and abstain myself from

participating in whatsoever manner in the said tender/quotation exercise;

- v. In the event whether directly or indirectly where there is any individual(s) of the bidder(s) or Supplier(s) or Contractor(s) or representing the bidder(s) or Suppliers or Contractor(s) or any other individual(s) who offer, give, or agree or promise to give any money, goods or service[s] or any form of gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] for being selected for the aforementioned tender/quotation, I shall immediately report such matters to Terengganu Inc. Group's Management or relevant authority(s);
 - vi. I shall abide by Terengganu Inc. Group's Code of Conduct and Business Ethics, Procurement Ethics, Anti-Corruption Policies and any other Terengganu Inc. Group's policies applicable; and
 - vii. I agree that this declaration obligation shall remain in full force until the contract has been fully executed and implemented.
2. I duly understand that the failure to comply or breach of any terms of the declaration stated above may result in criminal and/or civil proceedings and/or disciplinary action taken against me, including termination or dismissal.

(Signature)

(Signature)

.....
Name:

Staff No:

Designation:

Date:

.....
Name of Witness:

Staff No:

Designation:

Date :

INTEGRITY AGREEMENT

DECLARATION BY MEMBERS OF PROCUREMENT COMMITTEES
(UPON COMPLETION OF DUTIES)

1. I, _____ Staff No. _____
 NRIC No. _____ of _____
 [name of division] hereby sincerely declare that:

- a) I have performed my duties as a Chairman/Member/Alternate Member of _____
 [name of Committee, Tender/Quotation] without having any personal or vested interest, being influenced by any other party/parties or involved in any corrupt practices/gratification as defined in Malaysian Anti-Corruption Commission Act 2009 [Act 694];
- b) None of my family member(s) or close relative(s) have any interest in any procurement exercise under my jurisdiction during my tenure as Chairman/Member/Alternate Member of the abovementioned Committee;
- c) I shall not divulge any confidential information related to the procurement activities submitted and/or made aware to me;
- d) I shall not divulge any confidential information related to the procurement exercises within my knowledge and shall ensure that all information relating to such activities are duly returned to the Secretary of the Committee;
- e) I duly understand that the failure to comply or breach of any terms of the declaration stated above may result in criminal and/or civil proceedings and/or disciplinary action taken against me, including termination or dismissal.

(Signature)

(Signature)

.....
 Name:
 Staff No:
 Designation:
 Date:

.....
 Name of Witness:
 Staff No:
 Designation:
 Date:

INTEGRITY AGREEMENT

SUPPLIER'S/CONTRACTOR'S DECLARATION

(UPON APPOINTMENT AS TERENGGANU INC. GROUP REGISTERED SUPPLIER/CONTRACTORS AND UPON RENEWAL OF SUPPLIER/CONTRACTORS REGISTRATION)

1. I, _____ NRIC No. _____
_____ the Managing Director/Chief Executive Officer of _____ (name of Company)
with Company registration number _____
hereby declare that I, or any individual(s) representing this Company including employees, agents and/or subcontractors and representatives shall not offer or give any bribes to any individual(s) in Terengganu Inc. Group and/or any of its Group of Companies or any other individual(s), as gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] for being selected as Terengganu Inc. Group registered Supplier/Contractor or any procurement award in the future. I attach herewith a Letter of Authorization via a Company Board resolution, which empowers me, as a representative of the aforementioned company, to make this declaration.
2. If I, or any individual(s) representing this Company, are offering bribes to any individual(s) in Terengganu Inc. Group or any other individuals as gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] for any procurement award, I hereby agree as a representative of the aforementioned Company, for the following actions to be taken:
 - a) Suspension and/or removal of Terengganu Inc. Group Suppliers/Contractors registration and shall be blacklisted for future registration;
 - b) Revocation of any award and/or contract offer;
 - c) Termination of any existing award and/or contract; and
 - d) Any other disciplinary actions according to Terengganu Inc. Group procurement rules and regulations in force.

3. In the event where there is any individual(s) who attempts to solicit bribes from me or any individual(s) related to this Company as gratification any procurement exercise, I hereby pledge to immediately report such act(s) to:

i Terengganu Inc. Office via:

- a. Call at 09-6177771;
- b. Fax to 09-6177772;
- c. Write to : Chief Governance Officer, Terengganu Incorporated Sdn Bhd, Lot PT 3071, Kawasan Perindustrian Chendering, 21080 Kuala Terengganu. Terengganu Darul Iman. Malaysia.

OR

- ii. Lodge a report to the Malaysian Anti Corruption Commission (MACC)'s office or the nearest police station.

For and on behalf of the;

Company's name,

Witnessed by,

(Signature)

(Signature)

(Name and NRIC No.)

(Name and NRIC No.)

Company stamp:

INTEGRITY AGREEMENT

SUPPLIER'S/CONTRACTOR'S DECLARATION

- iii. UPON PURCHASE OF TENDER/QUOTATION DOCUMENT
- iv. UPON EXECUTION OF THE LETTER OF ACCEPTANCE BY THE SUCCESSFUL SUPPLIER/CONTRACTOR.

Tender/Quotation title and reference no.: _____

1. I, _____ NRIC No. _____
_____ the Managing Director/Chief Executive Officer of
_____ (name of
Company) with Company registration number _____
hereby declare that I, or any individual(s) representing this Company including
employees, agents, subcontractors and representatives, covenant and
undertake as follows:

- a) Shall not directly or indirectly offer, give, or agree or promise to give to any individual(s) in Terengganu Inc. Group and/or any of its Group of Companies or any other individual(s), money, goods or a service or any form of gratification as defined under the Malaysian Anti-Corruption Commission Act 2009 [Act 694] as a consideration or reward for the decision, opinion, recommendation, vote or other favors to be selected in the aforementioned tender/quotation*;
- b) Shall not collude with any other Suppliers/Contractors and/or individual(s) in Terengganu Inc. Group or any other individual(s), in any type of practices including but not limited to "bid rigging" and corruptly procuring withdrawal of tender that may affect the transparency and fairness during any procurement process or activities and during the contract implementation period;
- c) Agree to keep confidential all proprietary information and documentations relating to the tender and/or contract in strictest confidence and under no circumstances, would the details or information related to the tender and/or contract be discussed or disclosed with or to other tenderers or third party;
- d) In the event where there is any individual(s) of Terengganu Inc. Group or any other individual(s) who corruptly solicit or attempt to obtain any bribe from me or any individual(s) representing this company any money, goods

or service(s) or any form of gratification as defined under the Malaysian Anti-Corruption Commission Act [Act 694] for being selected for the aforementioned tender/quotation, I shall immediately report such matters to Terengganu Inc. Group's Management or relevant authority(s);

- e) Shall abide to Terengganu Inc. Group 's Code of Conduct and Business Ethics, Procurement Ethics, Anti-Corruption Policies and any other Terengganu Inc. Group 's policies applicable during the tender/quotation process and/or the execution of a formal agreement and its implementation thereof; and
- f) The company has and/or will implement an anti-corruption framework including a compliance program that clearly rejects the practice of bribes and other unethical behavior throughout the company.

I attach herewith a Letter of Authorization via a Company Board resolution, which empowers me, as a representative of the aforementioned company, to make this declaration.

2. If I, or any individual(s) representing this company, is found to have breached any of the declaration stated above, I hereby agree, as a representative of the aforementioned company, for the following actions to be taken:
 - a) Disqualification from the bidding process;
 - b) Revocation of the Letter of Acceptance/Letter of Intent/Letter of Award for the aforementioned tender/quotation;
 - c) Termination of the contract in accordance with the terms of the Agreement;
 - d) Forfeiture of the bid security and/or performance bond;
 - e) Suspension or blacklisting from participating in any of Terengganu Inc. Group's procurement activities;
 - f) Liable for damages due to the termination of the tender award and/or the contract; and/or;
 - g) Other actions in accordance to Terengganu Inc. Group's policies and/or Terengganu Inc. Group's procurement rules and regulations.

3. I agree that this declaration obligation shall remain in full force until the contract has been fully executed and implemented.

For and on behalf of the [Company's name],

Witnessed by,

(Signature)

(Signature)

(Name and NRIC No.)

(Name and NRIC No.)

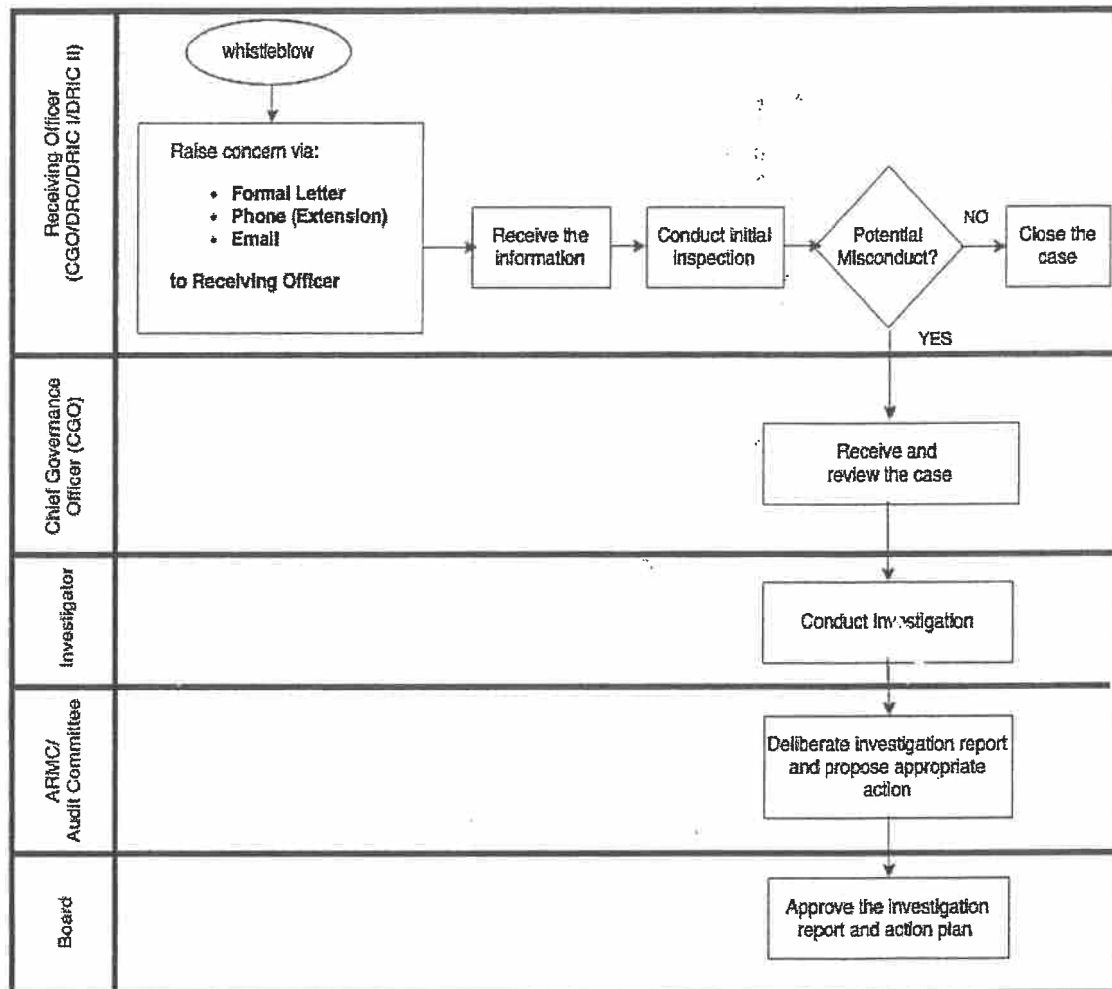
Company stamp:

INTEGRITY AGREEMENT

**TERMINATION ON CORRUPTION, UNLAWFUL OR ILLEGAL ACTIVITIES
(TEMPLATE TO BE INCLUDED IN LETTER OF AWARD AND PROCUREMENT
CONTRACTS)**

- a) Without prejudice to any other rights of Terengganu Inc. Group, if the [Company/Firm], its personnel, servants or employees is/are convicted by a court of law for corruption or unlawful or illegal activities in relation to this [Agreement/Contract] or any other agreement that the [Company/Firm] may have with Terengganu Inc. Group, Terengganu Inc. Group shall be entitled to terminate this [Agreement/Contract] at any time, by giving a written notice with immediate effect.
- b) Upon such termination, Terengganu Inc. Group shall be entitled to all losses, costs, damages and expenses (including any incidental costs and expenses) incurred by Terengganu Inc. Group arising from such termination.
- c) For the avoidance of doubt, the Parties hereby agree that the [Company/Firm] shall not be entitled to any form of losses including loss of profit, damages, claims or whatsoever against Terengganu Inc. Group upon termination of this Agreement/Contract.

WHISTLEBLOWING FLOWCHART



WHISTLEBLOWING PROCEDURES

Steps	Actions
Step One Raising concerns by whistleblower through channels	Whistleblower may raise concerns through any of the following medium: <ul style="list-style-type: none"> • Formal letter • Phone (extension) • Email To Receiving Officer (CGO/DRO/DRIC I/DRIC II) <p>Disclosure of identity of whistleblower:</p> <ol style="list-style-type: none"> Name: NRIC No: Contact Details-Office contact/Mobile/Home <p>Content of the disclosure:</p> <ol style="list-style-type: none"> Details of the person involved; Details of the concern; <ul style="list-style-type: none"> • Nature of the concern • Where and when the concern took place Other relevant information; and Supporting evidence (if any).
Step two Initial inspection from Receiving Officer (CGO/DRO/DRIC I/DRIC II)	Receiving Officer shall acknowledge upon receiving the concerns of whistleblowers within 5 working days, and immediately began an initial inspection. The aim of the initial investigation as the first filtration of concern highlighted. The report should not in any way disclose. Identity of the whistleblower should be kept to recipient himself/herself. <ol style="list-style-type: none"> If the Receiving Officer other than CGO, he/she will report the fact of the case to CGO. CGO will guide Receiving Officer to conduct initial inspection. Receiving Officer will decide whether there was potential misconduct or not: <ol style="list-style-type: none"> Yes, will forward the case for further investigation. No, close the case.
Step Three Investigation of concerns and update on progress of	Investigator receives the case and starts the investigation. The aim of the investigation is to: <ol style="list-style-type: none"> Establish if misconduct has occurred based on the concerns raised, and if so to what extent; and

investigation.	<p>II. To reduce the risk of further wrongdoing, prevent any further loss of property, damage to the reputation of the Terengganu Inc. Group and if possible to protect all sources of evidence.</p> <p>The progress of the investigations will be updated to Chairman, ARMC.</p>
Step Four Report of Investigation	<p>Upon completion of the investigation, investigators shall forward the report to the ARMC for further action. ARMC will review the case and findings. If ARMC is in doubt with the findings, ARMC is allowed to ask investigator to reinvestigate the case with proper justification.</p> <p>If ARMC satisfies with the investigation report, TISB's ARMC will propose further appropriate action to the Boards for adoption.</p>

PROTECTION TO WHISTLEBLOWERS

It is the Terengganu Inc. Group's policies to protect the whistleblower that has exposed the concern from detrimental action. Nevertheless the whistleblower must come with a reasonable belief that it is intended to indicate fraud or false of a person or authorities concerned, and in good faith. The protection granted even if the investigation later revealed that the informant is mistaken as to the facts and the rules and procedures involved.

All of the exposure raised by whistleblower shall be treated with confidentiality. Anonymous disclosures will not be entertained. Employees or other stakeholder who wish to raise concern must disclose their identity to enable Terengganu Inc. Group to provide the necessary protection to him. However, Terengganu Inc. Group reserves the right to investigate any exposure without the name.

ROLES & RESPONSIBILITIES

The following are the roles and responsibilities in the whistle-blowing process:

No.	Responsible Officer	Responsibilities
1	Whistleblower	Whistleblower is required to act in good faith and must not make false accusations when reporting his concerns, and provide further evidence to be used for investigation of reported issues.
2	Suspect/Defendant	Suspect has a responsibility to cooperate with investigators. The suspects that being interviewed or asked to provide information have an obligation to fully cooperate with investigators.
3	Receiving Officer (CGO/DRO/DRIC I/DRIC II)	Particular Receiving Officer has a duty to conceal whistleblower's identity from any party including another legitimate Receiving Officer. Where, only issues allowed to be discussed with another Receiving Officer but not the identity. Receiving Officer will then have to conduct initial inspection towards the validity of the complaint.
4	Investigator	Investigators will be appointed by CGO. Investigators were expected to handle all matters seriously, confidentially and promptly. He/she shall be independent and impartial in carrying out its investigations. Investigators have a responsibility to recognize all concerns reported and he/she is also necessary to report the progress of the investigation to the whistleblower. The Investigator shall provide to the Management Committee a summary of all cases reported and the result of the investigation on a quarterly basis. The CGO shall refrain from discussing or disclosing matters under investigation.
5	Head of Human Capital	The Head of Human Capital shall be responsible to manage the disciplinary proceedings against the staff, according to the existing Human Capital Policies and Procedures.

No.	Responsible Officer	Responsibilities
6	ARMC/Audit Committee/BOD	ARMC will review the report findings and result of investigation and obtains Board approval for disciplinary act.

