

TANCO HOLDINGS BERHAD
Company No.: 195801000190 (3326-K)

ANTI-CORRUPTION AND BRIBERY POLICY

1. Introduction

The Board of Directors (the “the Board”) of Tanco Holdings Berhad (“Tanco” or “the Company”) has established this Anti-Corruption and Bribery Policy (“Policy”) for adoption by Tanco and its subsidiaries (collectively “the Tanco Group”) as the Tanco Group is committed to conducting its business ethically, as well as complying with all applicable laws, which includes compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of its amendments or re-enactments that may be made by the relevant authority from time to time.

This Policy provides principles, guidelines and requirements on how to deal with bribery and corrupt practices that may arise in the course of daily business and operation activities within the Tanco Group. Unless otherwise stated, any references to “we”, “us” and “our” in this Policy are to the Company and its subsidiaries taken as a whole.

2. Purpose

The Purpose of this Policy is:

- 2.1 to set out our responsibilities to comply with laws against bribery and corruption; and
- 2.2 to provide information and guidance to those working for the Tanco Group on how to recognize and deal with corruption and bribery issues.

We will undertake a bribery and corruption risks assessment across our business when appropriate to understand the bribery and corruption risks it faces and ensure that it has adequate procedures in place to address those risks.

3. Scope and Application

This Policy applies to all individuals working for Tanco and all companies within the Tanco Group at all levels and grades.

This includes employees, senior managers, managers and all individual working (whether full time, part time, contract or temporary) at all levels and grades (collectively “the Employees”) and the Board members.

4. Definitions

For the purpose of this Policy, the terms listed below represent its respective definitions and shall exclude food and drinks, flowers and contribution/sponsorship to Tanco Group official events:

“Benefits”	:	Any form of advantages or profits gained by the Board, the Employees.
“Bribery”	:	Offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to that person’s duties, action or decision.
“Corruption”	:	The provision or receipt of monetary or non-monetary bribe or reward of high value for performing in relation to the Board and the Employees’ duties. This includes misuse of a public office or power for private gain or the misuse of private power in relation to business outside the realm of government.
“Entertainment”	:	(a) The provision of recreation; or (b) The provision of accommodation or travel in connection with or for the purpose of facilitating entertainment of the kind mentioned in item (a) above, with or without consideration paid whether in cash or in kind, in promoting or in connection with a trade or business activities and/or transactions.
“Facilitation Payments”	:	Small sums or bribe, unofficial payment made to secure or expedite the performance of a routine action by the Board and the Employees.
“Kickbacks”	:	Any forms of payment intended as compensation for favorable treatment or other improper services. This includes the return of a sum already paid or due as a reward for awarding of furthering business.
“Gifts”	:	Any form of monetary or non-monetary such as goods, services, cash or cash equivalents, fees, rewards, facilities, or benefits given to or received by a member of the Board and the Employees, his or her spouses or any other person on his or her behalf, without any or insufficient consideration known to the Board and the Employees.

5. Our Principles

5.1 We take zero-tolerance approach to corruption and bribery.

5.2 We conduct all of our business in an honest and ethical manner. We are committed to acting professionally, fairly and with integrity in all relationships and business dealing in accordance with our Code of Business Conduct and Ethics Policy, and to implement and enforce effective system to counter bribery and corruption.

- 5.3 We will uphold all laws relevant to countering corruption and bribery. We remain bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018 and any of the amendments or re-enactments that may be made by the relevant authority from time to time in respect of our conduct both at home and abroad.
- 5.4 To address these risks, we have taken the following steps:-
- (a) Implement this Policy;
 - (b) Perform periodic corruption risk assessment on our operations and review findings;
 - (c) Take reasonable steps to implement training programmes for all individuals operating in areas of the organization that are identified as high risk; and
 - (d) Periodic reviews and update of this Policy.

6. Corruption, Gifts, Benefits and Entertainment

- 6.1 All persons who are subject to this Policy shall NOT:
- (a) offer, give or promise to give a bribe or anything which may be viewed as a bribe to secure or award an improper business advantage;
 - (b) offer, give or promise to give a bribe or anything which may be viewed as a bribe to a government official, agent or representative to facilitate, expedite or reward any action or procedure;
 - (c) request or receive a bribe or anything which may be viewed as a bribe from a third party knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them; or
 - (d) engage in any activity that may lead to a breach of this Policy.
- 6.2 All persons who are subject to this Policy are prohibited from accepting or receiving Gifts, Benefits and/or Entertainment from a third party that might create a sense of obligation and compromise their professional judgment or create appearance of doing so.
- 6.3 All persons who are subject to this Policy shall not accept or receive any Gifts, Benefits and/or Entertainment from a third party except if it is made from gestures that are construed to be legitimate contribution and provided that the Gifts, benefits and/or Entertainment are presented in good faith, which may be directly or indirectly offered as a result of or in anticipation of the Board and the Employees' position or performance of duties or for cultivating good business relationship.
- 6.4 All persons who are subject to this Policy shall exercise proper care and judgment in respect of giving or receiving any Gifts, Benefits and/or Entertainment on a case to case basis.
- 6.5 All persons who are subject to this Policy shall take into consideration the impact of their actions with regards to how their actions are perceived (i.e. influencing their decision) and its impact towards the business operations of the Company prior to giving or accepting any Gifts, Benefits and/or Entertainment.

6.6 We encourage the use of good judgment when giving or accepting the Gifts, Benefits and Entertainment. All the Benefits including Gifts, Benefits and Entertainment must be:-

- (a) reasonable in value;
- (b) infrequent in nature;
- (c) transparent and open;
- (d) not given to influence or obtain an unfair advantage; and
- (e) respectful and customary.

7. Facilitation Payment and Kickbacks

7.1 We do not make and will not accept Facilitation Payments or Kickbacks of any kind. All associates must avoid any activity that might lead to Facilitation Payments or Kickbacks being made or accepted.

7.2 Any individual with any suspicious, concerns or queries regarding a payment made on our behalf or improper business practices, he or she should raise these by reporting to the Company via the channel as outlined in our Whistleblowing Policy.

8. Procurement Process

8.1 We adhere to the system of internal controls on supplier selection. Supplier selection should never be based on receipts of the Gifts, Benefits or Entertainment.

8.2 Bidding process is open to all qualified and no parties having the unfair advantage of separate, prior, close-door negotiations for a contract.

8.3 Selection of a supplier shall subject to clear adherence to this Policy and compliance with Tanco's Code of Business Conduct and Ethics.

8.4 Appropriate assessment shall be conducted to individuals or third parties to ensure the business and background of the potential business partners are free from bribery elements or conflict of interest prior to procurement process.

9. Political Donations and Contribution

9.1 We do not make any charitable donations or contributions to political parties but the Board members and the Employees acting in their personal capacity as citizens are not restricted to making such donations.

10. Sponsorships, Donations and Contribution to Charity or Social Projects

10.1 Contributions or donations made by the Tanco Group to community projects or charities need to be made in good faith and in compliance with our Code of Business Conduct and Ethics, this Policy and all our relevant policies and procedures.

- 10.2 The Tanco Group's properties, facilities, services or employee time cannot be used for or contributed to any political party or candidate for public office without prior approval by the Group Managing Director/ Group Executive Director.
- 10.3 No donation should be made which may or may be perceived to breach applicable law or any other sections of this Policy.

11. Responsibilities

- 11.1 The Board has oversight of this Policy. The Group MD/ Group ED/ EDs/ GFC/ GMs/ HODs are responsible for ensuring the compliance with this Policy. Every manager and employee is required to be familiar with and comply with this Policy.
- 11.2 We have a zero-tolerance approach to corruption and bribery. Any violation of this Policy will be regarded as serious matter and will result in disciplinary action, including dismissal and termination in accordance with local law.
- 11.3 Any individual and employee with any suspicious, concerns or believes regarding a violation with the Policy has occurred or may occur in future, should raise up, notify and shall make report to the Company via the channel outlined in our Whistleblowing Policy.
- 11.4 An employee will be accountable individually whether he or she pays a bribe himself or herself or whether he or she authorizes, assists or conspires with someone else to violate this Policy and/or an anti-corruption or anti-bribery. Punishment for violating the law are against him/her as an individual and may include imprisonment, probation, mandated community service and monetary fines and others which will not be paid by Tanco Group.
- 11.5 Further indications that may indicate corruption and bribery ("red flags") are set out in Section 16 of this Policy below.

12. Record Keeping

- 12.1 Financial records and appropriate internal controls are in place to evidence, substantiate and justify that business reason for making payments to, and receiving payments from, third parties.
- 12.2 We must ensure all expenses claims relating to gifts or entertainment made to third parties are submitted in accordance with the Company's reimbursement procedures and/or applicable policy and specifically record the reason for such expenditure. All the parties shall further ensure that all expenses claims shall comply with the terms and conditions of the Policy.
- 12.3 All documents, accounts and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts should be kept "off-book" to facilitate or conceal improper payments.

13. Confidentiality and Protection

- 13.1 Individuals who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.
- 13.2 We are committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption, or because of reporting concerns under this Policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern.

14. Communication and Training

- 14.1 The Tanco Group will on a continuing basis provide specific and regular training on this Policy, and on anti-corruption and bribery laws and on how to implement and comply with this Policy, for all new and existing Employees.
- 14.2 Our zero-tolerance approach to corruption and bribery must be communicated at the outset of our business relationship with 3rd parties and as appropriate thereafter.

15. Monitoring and Review

- 15.1 All Employees are responsible for the success of this Policy and should ensure adherence to this Policy and use it to disclose any suspected danger or wrongdoing.
- 15.2 Internal control systems and procedures will be subject regular audits to provide assurance that they are effective in countering corruption and bribery.
- 15.3 This Policy does not form part of the associates' contract of employment and it may be amended at any time by the Company even though all the Employees are welcome to comment on this Policy and suggest ways in which it might be improved.

16. Red Flags

The following is a non-exhaustive list of possible red flags (for illustrative purposes only) that may arise for an individual while working for the Tanco Group and which may arise concerns under various anti-corruption and anti-bribery laws.

If the Board and Employees come across any of these red flags or believe it may occur potentially while working for the Tanco Group, he/she must make report promptly in accordance with the procedure as set out in our Whistleblowing Policy.

- (a) Become aware that a third party engages in, or has been accused of engaging in improper business practices, improper conduct or has a reputation for paying bribes or requiring bribes;

- (b) A third party demand gifts, benefits, commission or fees before committing or continue to sign up a contract;
- (c) A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (d) A third party refuses to provide or provide insufficient, false or inconsistent information in response to due diligence questions;
- (e) A third party requests to use an agent, intermediary, consultant, distributor or supplier that it not typically used by or known to us or shell entity serves as a middleman especially when domiciled in secrecy haven;
- (f) There are signs that the third party is not acting on his own behalf, but is trying to conceal the true beneficial owner's identity;
- (g) A third party has a reputation of having a "special relationship" with a government, political party or other public official or has been specifically requested by a public official;
- (h) A third party refuses to sign a commission or fee agreement or insists on the use of a side-letter relating to the payments of funds;
- (i) A third party requests an unusually large or inappropriate commission, retainer, bonus or other fee or an unexpected additional fee or commission to "facilitate" a service;
- (j) A third party requests payment in cash or cash equivalent such a money order; refuses to provide an invoice or receipt;
- (k) A third party refuses to provide an invoice or receipt for a payment, or you receive an invoice or receipt that appears to be non-standard or customized;
- (l) A third party requests that a transaction is structured to evade normal record-keeping or reporting requirements;
- (m) A third party refuses to abide by this Policy or does not demonstrate that it has adequate internal anti-corruption and bribery policies and procedures in place;
- (n) Been offered an unusually generous gift or lavish benefits or entertainment by a third party.

Approval

This Policy was approved and adopted by the Board of Directors of Tanco on 27 May 2020.